The China Weekly

REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

Huang Fu Negotiates Manchukuo "Recognition" with Kwantung Army

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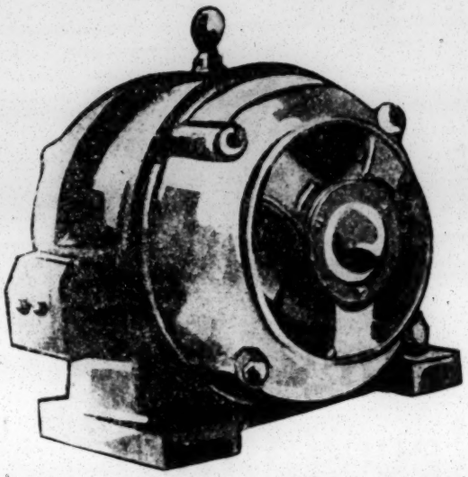

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ALL RUSSIANS WILL FIGHT FOR THEIR FAR EASTERN LANDS

THE average foreigner that one meets in traveling up and down the China coast will tell you off-hand that Japanese control of the Russian Far Eastern provinces is inevitable, that it is only a matter of time until Japan will control all Russian territory east of Lake Baikal. This feeling among foreigners is due to two chief reasons, one the belief that no one has the strength to stop Japan and the other is based on ignorance of the history of Russia in the Far East. We have no intention of going into the history of Russia in the Far East about which many excellent books have been written and which would require many columns of this magazine even to summarize. But the Russian advance across northern Asia to the Pacific and settlement of the Siberian provinces was no sudden or accidental matter. The Russian struggle to conquer and settle the Siberian wilderness is a heroic story comparable to the American and Canadian conquest of the western portion of the North American continent. In recent years Hollywood has produced some stirring pictures on the theme of the conquest of the American West and if the Russians wished they have the material for a story fully as thrilling. The Russian struggle to conquer the Siberian wilderness dates back to earliest times, but generally the date 1580 is used to designate the actual beginning of Russian expansion toward Eastern Asia. This expedition was led by Yermak, who is known among the Russians as a sort of "Robin Hood" who robbed the rich and helped the poor, but who managed in the process to annex considerable wild territory to the Russian Empire. From that time on Russians, political exiles, soldiers of fortune, freebooters and whatnot pressed their way further and further into the wilderness establishing towns and villages and trading posts and in time the adventurers were followed by farmers who cultivated the soil and made it a part of Russia. The Russians did not come into contact with the Chinese outposts until they had passed the Urals and Lake Baikal, but from then on it was a story of fighting, compromise and conciliation. China's first treaty with a European state was the Nertchinsk agreement signed on September 9, 1689, the town of Nertchinsk being located on the present Trans-Siberian Railway to the east of Chita.

This treaty settled a boundary question, in fact constituted the foundation for later treaties which established the Amur and Ussuri Rivers as the present boundary. The Chinese border troops in those early days knew how to fight and were willing to fight, otherwise the Russians would have occupied and settled all Manchuria as they did the Siberian provinces. But the point we wish to make is that the Russians paid dearly for this territory by hard work and hard fighting, hence they are not likely to give it up to Japanese aggressors without a most serious struggle. Therefore those who make reckless statements about Japan's easy conquest of this territory are likely to be disillusioned in the event the Tokyo warlords are so reckless as to make the attempt to grab this area as they have done Chinese territory in Manchuria. Also, and this is important, it is quite likely that in the event of actual war between Japan and Russia, such a struggle probably would have the effect of causing all Russians, Whites as well as Reds, to unite against the common invader. The Japanese in recent years have been intriguing among the White Russian emigrees in the Far East, promising them help in establishing another "puppet" state in the Far East, providing they would cooperate with Japan against the Soviets. While a few adventurers have listened to the Japanese militarists, the rank and file of the emigrees probably would be back under the Russian banner before the war had progressed very far. But regardless of politics, it is a mistake to think the Russians would not fight for their Far Eastern lands or that Japan might achieve an easy victory. The Russians will fight just as hard to keep the Japanese out of Siberia as the Americans and Canadians would fight to prevent a Japanese occupation of California, Oregon, Washington or British Columbia.

KOREANS GET LIFE SENTENCE, JAP KILLERS HEROIZED

DURING the course of the League Commission's investigation of the Manchurian question (Feb. 29—July 15, 1932) the Japanese military police at Dairen made a round-up of Koreans suspected of an attempt to murder members of the Commission, which was headed by Lord Lytton. After an investigation which lasted more than a year, the Japanese court at Dairen announced that two Koreans, Li Sho-kon and Sai Kei-ko, had been found guilty of an attempt to assassinate Lord Lytton and other members of the Commission as well as some important Japanese and Manchukuo officials during the month of May, 1932. As a result the two Koreans were sentenced to penal servitude for life with an additional ten years for good measure. The report was contained in a *Rengo* message from Dairen dated November 2.

About the time of these occurrences in Dairen, that is, May, 1932, some forty young Japanese army and navy officers and associated civilians created a reign of terror in Tokyo by assassinating Premier Inukai, head of the cabinet, and Baron Takuma Dan, chairman of the board of directors of the powerful Mitsui interests. After an investigation and court hearing that extended well over a year the army members of the assassination clique were adjudged guilty and sentenced to four years in jail with a recommendation for clemency and liberation after one year. The naval and civilian members of the gang have not yet been sentenced. During the course of the trials, held under three separate jurisdictions, the culprits were permitted to deliver long political harangs, the obvious purpose being to further Gen. Araki's scheme for a military dictatorship in Japan. Many of the accused in the course of their court statements denounced businessmen, capitalists and politicians and extolled soldiers and farmers as the backbone of the nation.

On November 1, the Mitsui interests, owners of banks, trading companies and steamship lines, whose president Baron Takuma Dan was assassinated by the gang, announced a gift of 30,000,000 yen for the relief of agricultural distress and other social works of public benefit.

The difference in the sentences given the Koreans for an alleged attempt to assassinate members of the Lytton Commission, and the punishment given the *Japanese* military assassins in Tokyo will not be overlooked by the public in the Far East or elsewhere. Koreans convicted of an *attempted* assassination received sentences of penal servitude for life while Japanese army officers adjudged guilty of *actual murder* received light sentences of four years in jail with recommendation for clemency.

The Korean, Kim Koo (Yun Bong-kil) who threw the bomb in Hongkew Park, Shanghai, on April 29 on the occasion of the celebration of the birthday of the Japanese Emperor, resulting in the killing and wounding of several high Japanese military and civilian officials, was tried, convicted and executed in short order. C. H. Ahn (Ahn Chang-ho) another well-known Korean, who had nothing whatever to do with the plot but who was arrested at the time, was deported to Korea where he is still imprisoned.

THE SOUL OF JAPAN

NEW light is thrown upon the real inspiration of Japanese reactionary terrorism by the revelation that the biggest assassination plot so far planned by the young conspirators, intended to wipe out the members of the Japanese Cabinet while in plenary session, was financed by one of Japan's capitalists who hoped to cash in heavily upon the crash in the market which would inevitably follow.

Japanese propagandists are never tired of telling the world about the wonderful spirit of Japan, of the "Bushido" which inspires every Japanese heart, by which every geta-footed son of Nippon lives his life in a daze of patriotic glory permitting of no selfish or personal considerations whatsoever. Not only the ruthless aggressions of Japanese militarists against unoffending neighbors, but even the dastardly plots of Japanese assassins against their own statesmen, are explained as being inspired by the most noble and selfless aims.

Fortunately or unfortunately, recent Japanese history does not bear out this claim. At a time when Japan is engaged in a perilous military venture which may endanger her very existence, under conditions which in less "divine" countries would rally all patriotic chauvinists to the call of national solidarity, we find the most amazing indifference to national interests among both

Japanese rulers and their conspirative enemies. Every man, it seems, is for himself. No modern country, in war time, has known such disgraceful scandals as has Japan in the last two years.

The assassination of Inouye and Dan will be recalled. The reason for this was well known, and openly avowed by the assassins. While the Japanese army was engaged in the conquest of Manchuria, intrigue by unscrupulous politicians brought about a sudden change in the Japanese Government, which suddenly went off the gold standard, to the enormous benefit of big speculators who were "in on" the deal, while the Government institution, the Yokohama Specie Bank, lost about 100,000,000 yen through not having been given time to convert its foreign holdings.

This plundering of the Government by speculators and politicians was the avowed cause of the furious reaction of the young reactionaries, the pure and unsullied and incorruptible patriots, against the intriguers. But now we discover the other side of it. We find that the "noble" assassins of the Seisanto are being financed by other speculators, who have other axes to grind. We find one Hikoichi Naito, former managing director of the big Matsuya department stores, in the hands of the police for his embezzlement of over five million yen, financing the "patriots," expecting that with the planned assassination of political leaders and financiers, and widespread incendiarism, there would be a tremendous crash in the market. Naito, fully informed in advance, would be able to cash in to the tune of a hundred million yen or more, just as other speculators cashed in when Japan suddenly "went off gold" two years ago. What happens to the Government is immaterial, apparently, just so the financiers cash in. So the recent plot, planned for July 11 and checked by the police less than twelve hours before it was due to break, is known alternatively as the "God-Sent Troops Case" or the "100,000,000 Yen Case." To the young criminals and fanatics who make up the body of the reactionaries, it was the former. To the men like Naito who actually pull the wires, it was the latter.

The soul of Japan! What price Bushido?

HOW JAPAN MAKES USE OF NARCOTICS TO CONQUER MANCHURIA

THE opium problem, and particularly Japan's relation thereto, is once more forging to the front at Geneva. In the discussions before the opium advisory committee of the League of Nations Nov. 2, Stuart J. Fuller, of the U. S. State Department, (for many years Consul General in Tientsin) made a scathing attack against the establishment of an opium monopoly in Manchuria. Among other things, Mr. Fuller said that Japan's creation of an opium monopoly in Manchuria is a dangerous proceeding, in that it appears to be an insidious attempt to evade the existing treaties regarding the opium traffic and in fact may undermine the international control of narcotics that has already been obtained. Mr. Fuller added that the regulations for the Manchurian monopoly were not in line with the plans that the leading nations (including the United States) had in mind for extending international control and he intimated that the Manchurian plan would not lessen the use of narcotics by persons now addicted to them.

At the discussions on the following day an amendment was adopted, which had been introduced by Sir Malcolm Delevingne, British delegate, and warmly supported by the Japanese delegate. The essential feature of the Delevingne formula is that although the new regime of Manchuria is not recognized by the League, and therefore the Council does not receive reports and other information from Manchukuo (as contemplated by the conventions), nevertheless the Commission feels it necessary to represent the Council's need by taking measures most appropriate in the present circumstances, in order to obtain complete information of the production, sale, and utilization of drugs in Manchuria, along the same lines as that received from other countries; also that it is of the highest importance that the present regime in Manchuria should know that its opium policy is of the greatest consequence for other countries, and that cooperation is necessary in order to obtain those restrictions to which other countries were pledged. Observers at Geneva see in Japan's acquiescence to the above formula a lever to secure eventual recognition of Manchukuo's status.

The resolution incidentally mentioned that the Commission had already drawn attention to the danger of the establishment of clandestine factories in the Far East, and elsewhere, where large stocks were available; a similar danger would occur in Manchuria. In connection with the wording of the resolution, Dr. Victor Hoo, the Chinese delegate, suggested that while the expression "Manchukuo" was not acceptable to China, she would agree to the use of the phrase, "the regime now obtaining in Munchuria and Jehol."

The world—or at least that part of it interested in moral questions (among which the opium problem stands out prominently)—owes a debt to the Anti-Opium Information Bureau at Geneva, which issues a series of bulletins which record current developments in reference to this problem. The latest of these bulletins discusses the opium evil in China at great length. In a foreword it is stated:

> The Anti-Opium Information Bureau of Geneva believes that the real extent and importance of China's Opium and Narcotic Drugs Problems are not sufficiently well known or appreciated; that opium and narcotics are ruining the prosperity of China, at a time of a general world economic crisis; that a reconstructed China, healthy and prosperous, would convert that country into the world's largest market, capable of absorbing much of the production of Europe and America.
>
> It also believes that China's recovery and the success of her reconstruction work will not be possible unless and until the Chinese Government takes the opium and narcotics situation in hand, with a view to eradicating clandestine manufacture of opium derivatives and controlling and suppressing the cultivation of the opium poppy.

It is recorded that in 1907 China started suppressing opium poppy cultivation and opium smoking, employing the most drastic measures, and in 1917 an independent Commission, composed of foreign inspectors, certified to the fact that opium production and smoking were eradicated in China. But as opium smoking diminished, the far more deadly use of manufactured narcotics—morphine and heroin—increased. They

were first introduced from Europe and Japan, and sold to the Chinese as a remedy against the opium smoking habit, with the result that to-day China stands out as the principal victim of the illicit traffic in opium and in manufactured opium derivatives.

Statistics show that Japan, in the course of ten years, (1898-1907) imported 600,228 ounces of morphine. These 17 tons do not include morphine manufactured in Japan; they were not consumed in Japan, as there is no drug addiction in that country. These narcotics (according to the Bureau) eventually found their way into Manchuria and paved the way for the conquest of the Three Eastern Provinces. In 1917, the imports of morphine into China, through the port of Dairen (Kwantung Leased Territory) amounted to some 17 tons; whereas the total quantity of that drug imported, during the same year, through the remaining ports of China, did not exceed some 40 ounces.

One of the very first administrative steps the Japanese took in the invaded Three Eastern Provinces, was the setting up of a State Opium Monopoly in the puppet State of 'Manchukuo," which is not a party to any international Opium Convention, and may, consequently, manufacture enough morphine and heroin from its practically unlimited supply of raw opium, to take care of the world's illicit requirements as a whole, and in particular, to prepare the remaining Provinces of China for future Japanese conquest. Japanese drug activities in China and the closing down of factories in Central and Eastern Europe, have resulted in the setting up of clandestine factories in China, and as a result the number of addicts in China is growing daily. The present situation in China is appalling. The country is flooded with drugs manufactured in foreign countries, in foreign Concessions, Settlements, and Leased Territories and in the factories springing up throughout her own territory. The amount spent annually on narcotics and opium in China is estimated at a billion dollars. It is a problem that challenges the moral sensibilities not only of China's four hundred millions but of the whole civilized world.

Japanese-Supported Bandits Cause $50,000,000 Damage in Luantung Area

SEVERAL weeks ago the Japanese papers printed a brief item about conditions in Jehol province, stating there had been an improvement in that area *as most of the bandit-gangs had been driven south of the Great Wall* The Japanese report mentioned one bandit leader, Lao Hao-tze, popularly known as the "Old Rat" whose name has lately become familiar to newspaper readers throughout the country. Lao Hao-tze formerly operated in Jehol, but after the Japanese took over that province from Gen. Tang Yu-lin, the Old Rat was expelled into the Luantung area of the so-called demilitarized zone. The Luantung area is the triangular district to the northeast of Tientsin extending from the sea to the Jehol border. The section is important because it contains the works and mines of the British Kailan Mining Administration as well as Chinese coal mining enterprises. The Kailan organization with the Chinese-operated mines in the area constitute the most important coal-producing enterprises on the Asiatic coast, with the exception of the Japanese-owned mines at Fushun near Mukden. A chief Japanese object in extending their military influence into the Luantung zone undoubtedly was to embarrass the Kailan and Chinese mining properties since they are competitors of Fushun. This was behind the Japanese seizure of the Peiping-Mukden Railway, a Chinese Government property which also contains large British investments. But since the British put up a strong fight over this issue the Japanese finally withdrew most of their troops, following their drive on Tientsin, but left garrisons at most of the towns. The Japanese then turned the bandits loose in the area and on several occasions there have been reports from authoritative neutral sources to the effect that the bandit gangs actually were led by Japanese reservists. One bandit leader, Li Chi-chun and his force, due to Japanese pressure, was actually taken into the Chinese police force and stationed in the area. Other bandit leaders such as the "Old Rat" were permitted to operate at will plundering and burning towns and villages and holding others up for ransom. According to a report in the *China Times* the total damage sustained by the people in the Luantung area amounted to between $50,000,000 and $65,000,000.

Gen. Yu Hsueh-chung, garrison commander at Tientsin and chairman of the Hopei provincial government made frequent attempts to send police reinforcements into the Luantung zone to suppress the outlaws, but Gen. Yu's gendarmes always were stopped at the Luan river by the Japanese garrison stationed at Luanchow. On one occasion the Chinese forces were disarmed on the ground their possession of machine-guns was a violation of the Tangku truce agreement pertaining to the creation of the so-called demilitarized zone. The result has been that the bandit gangs in the area have constantly increased in strength due to Japanese protection and the action of the Japanes Kwantung army in control of the Great Wall passes in permitting other bandits and irregulars to enter the district from Manchukuo. Owing to his embarassment at not being able to assist the Chinese people in the area against the bandit depredations, Gen. Yu Hsueh-chung has frequently tried to resign his post, his latest move in this regard being last week.

But now that the Japanese have succeeded in their major designs in the north China area, they recently withdrew their opposition to the sending of reinforcements into the zone and as a result the Chinese forces, assisted by a artillery detachment, on Nov. 5 succeeded in defeating the chief bandit gang which had been holding the town of Funing for several weeks. According to a *Reuter* report from Peiping Lao Hao-tze, the "Old Rat" succeeded in escaping several days earlier with his loot, but the Chinese

forces succeeded in killing some 2,000 of his followers during the course of the siege which resulted in the destruction of a considerable portion of the town. Most of the bandit force, however, escaped according to the report.

On Nov. 6, the day following the occupation of Funing by the Chinese gendarmes, the Japanese military authorites at Shanghaikwan issued an order for the evacuation of the gendarmes back to Changli, meaning that the Japanese intend for Funing as well as the remainder of the area to be governed in future by Liu Tso-chou another former-bandit leader from Jehol province who has been working with the Japanese and whom the Chinese were compelled to incorporated into their police force. A report in the *Shanghai Morning Post* on Nov. 6 alleged that both Liu Tso-chou and his superior Li Chi-chun assisted the bandits in control of Funing by supplying them with arms and munitions which had been obtained from the Japanese military authorities.

MORE TROUBLE IN CHAHAR

What the Chinese newspapers designate as a "private war" has broken out in eastern Chahar between the forces of Generals Tang Yu-lin and Liu Kwei-tang. Tang Yu-lin previously was in control of Jehol province but turned that area over to the Japanese practically without fighting, since which time he has been stationed on the border between Jehol and Chahar. Liu Kwei-tang, a former Manchurian volunteer leader, previously associated with Tang Yu-lin, has also been associated with the Japanese since the Japanese conquest of Jehol. Recently both Tang and Liu were "taken over" by the Chinese military authorities in north China due to Japanese pressure and since have been stationed in eastern Chahar. On Oct. 31 the Japanese Rengo service reported that war had broken out between Tang and Liu causing the Chinese governor of Chahar, Gen. Sung Cheh-yuan to send forces against them. But the Japanese immediately announced that this move constituted a violation of the Sino-Japanese truce, "hence the Japanese military authorities were watching the situation." Telegrams which have appeared in the Chinese newspapers recently state that Tang Yu-lin has become a menace in northern and western Chahar, that his troops have pillaged Tushihkou, Yunchow, Chiushanpo, Chenning, Huangtulin and other towns causing most of the population to flee to Kalgan for protection.

JAPS STILL CONTROL PASSES IN GREAT WALL

Giving as an excuse that they do not have facilities for housing their troops along the Jehol border, the Japanese military authorities have announced that they will continue to maintain their garrisons along the Great Wall during the coming winter. Announcements to this effect were issued by Major-General Okamura, chief-of-staff of the Japanese Kwantung army who is now in Peiping, and also by Col. Shibayama, Japanese military attache in Peiping on Nov. 6. A considerable portion of the Japanese troops which have been occupying positions within the demilitarized zone at Miyun and elsewhere in the area between Peiping and the Great Wall, have been withdrawn to the Great Wall line or into Manchukuo, according to various reports from Peiping during the week.

PEIPING ALSO BANKRUPT

According to a Reuter report from Peiping on Nov. 1, the Chinese military council is running behind at the rate of $800,000 monthly. The report stated that the Nanking Government recently had assisted Peiping to the extent of $3,390,000, but since the Peiping military council required $5,000,000 monthly, it was hoped to make up the remaining $1,610,000 by contributions from Chahar, and Hopei provinces as well as the revenues of the Peiping-Suiyuan and Peiping-Mukden railways, an obvious impossibility. The result is the troops in north China are many months behind in their pay and considerable dissatisfaction exists. When T. V. Soong, finance minister returned from abroad an arrangement was made for Nanking to take over the finances of north China, but whether this arrangement will be continued in view of Soong's resignation is not known. More than 3,000 persons applied for food on Nov. 2 upon the opening of a number of gruel kitchens operated by a relief organization.

Huang Fu Negotiates Manchukuo "Recognition" Directly with Kwantung Army

JAPAN'S policy of dealing with China "regionally" as enunciated by special ambassador Yotaro Sugimura apparently has borne early fruit for reports through Japanese sources on Monday of this week stated that Major-General Okamura vice-chief-of-staff of the Japanese Kwantung Army stationed in Manchuria had arrived in Peiping for the purpose of negotiating a settlement of the Manchurian issue directly with Generals Huang Fu and Ho Ying-chin directors of Chinese political and military affairs in north China. A *Rengo* message from Changchun, capital of Manchukuo, on Nov. 6 stated that Major-General Okamura's trip was for the purpose of placing the Japanese seal on agreements which have been under discussion for several days between Huang Fu and Ho Ying-chin and representatives of the Japanese military establishment in Manchuria and the Manchukuo administration at Changchun. Peiping's representative to Manchukuo, Yin Tung, recently has been appointed managing-director of the Peiping-Mukden Railway which shortly is expected to resume through traffic between Peiping-Tientsin and Mukden. According to the *Rengo* message from Changchun the following matters will be covered in the Peiping-Manchukuo agreement:

1—Through railway traffic between Peiping-Tientsin and Mukden without transfer of passengers and freight at Shanhaikwan, including mutual guarantees against seizure of rolling stock and distribution of revenues.

2—Restoration of postal communication between China and Manchukuo, including transportation of "via-Siberian" mail.

3—Inauguration of aim-mail and passenger service between Peiping and Mukden.

4—Demarcation of boundary between north China and Manchukuo, including establishment of customs stations of the two countries along the border.

5—Arrangement for joint military action in the so-called demilitarized zone and along the border between north China and Manchukuo.

While no official statement on the subject of Sino-Japanese relations has been issued from Nanking, a spokesman of the Foreign Office was quoted by *Kuomin* on Nov. 2 as stating that there had been no change in the Sino-Japanese controversy over Manchuria and that so long as Japan continued to occupy the northeastern provinces, China would refuse to yield. The spokesman said further that there was no special signi-

ficance in the recent visits of Ambassador Yotaro Sugimura and Viscount Iyemasa Togukawa to Nanking and Shanghai and in the event China decided to open direct negotiations with Japan the public would be notified. However, the Central Political Council, acting on a petition submitted by Gen. Ho Ying-chin (*Kuomin* Nov. 5) passed a resolution strictly prohibiting the unauthorized "disclosure" of information concerning domestic or foreign policies of the Government. That recent developments in the Sino-Japanese situation have aroused interest in various quarters was indicated in a dispatch from Nanking which appeared in the *China Press* on Nov. 4 stating that the Legislative Yuan had requested Wang Ching-wei, head of the Executive Yuan and Acting Foreign Minister to make a report on the latest developments in connection with China's policy toward Japan. A *Reuter* message from Nanking bearing on the same subject stated that telegrams had been received from Canton inquiring whether T. V. Soong's resignation had any connection with Nanking's foreign policies. The same message quoted Wang Ching wei as declaring, "China has only one foreign policy and any rumored changes are out of the question." A report in the *China Times* from Peiping on Nov. 5 stated that the agreement pertaining to the resumption of through railway traffic between Peiping-Tientsin and Mukden would include a condition that no locomotives or cars bearing "Manchukuo" marks would be permitted to enter north China and that the Japanese would be held responsible for the safety of passengers on the section of the railway passing through Manchukuo territory.

The Japanese newspapers, however, have contained much more illuminating reports on the prospects for a settlement of the Manchurian question as well as other outstanding issues between the two countries, including China's recognition of the so-called Nishihara loans amounting to more than Yen 600,000,000. Another important question is Japan's proposed relinquishment of exterritoriality in China in exchange for Nanking's recognition of Manchukuo. The combining of these two issues, Japan's relinquishment of exterritoriality and China's recognition of the long-defaulted Nishihara loans has led to a sugestion of Japanese circles that China might be willing to recognize Manchukuo as an independent state, providing Japan would cancel the Nishihara loans and relinquish exterritoriality.

According to an article in the *Japan Advertiser* on October 28 conditions are now more favorable for a complete reconciliation between the two countries than they have been at any time since the Japanese occupation of Mukden in the fall of 1931. Recently the tendency has been greatly facilitated by two allegedly fortunate circumstances: complete unity of views on China's side between Gen. Chiang Kai-shek, Wang Ching-wei and Huang Fu and a similar unity of views on Japan's side between Foreign Minister Hirota and War Minister Araki. The writer in the *Japan Advertiser* (Dr. S. Washio) stated that the movement toward reconciliation had been greatly helped by China's action in sending the two good-will envoys, Li Tse-i and Yin Tung, to Japan and Manchukuo and Japan's action in sending Gen. Furuya, a personal friend of Gen. Araki, to Nanchang for a personal interview with Gen. Chiang Kai-shek.

Recent international developments also have had a bearing on the desires of both China and Japan to resume normal diplomatic relations, according to the Japanese spokesmen. One was German's withdrawal from the Disarmament Conference and the League of Nations, causing China to lose faith in the Geneva organ. Another important development causing Japan to press for a resumption of relations with China is the growing seriousness of relations between Japan and the Soviets. In the event of war between Japan and Russia, as now seems likely, Japan would like to face the struggle with China firmly linked to Japan by means of an economic and military alliance.

But the main consideration causing China to decide upon a policy of reconciliation with Japan was voiced by Huang Fu, head of the Peiping Political Committee who was quoted as declaring, "China would be ruined if she continued her policy of resistance against Japan..... Specifically, the continuance of such a policy would have ruined both Nanking and Gen. Chiang Kai-shek who are fully occupied with the campaigns against the Communists.....Last spring Gen. Chiang Kai-shek was saved by the Tangku armistice (preventing the Japanese occupation of Peiping and Tientsin) for at that time he was being encircled by his enemies in Chinese politics....Lately his position was again endangered by the movement of Gen. Fang Chen-wu who was threatening Peiping. While at first it was suspected that the Japanese army was behind Fang Chen-wu's revolt, both Nanking officialdom and Gen. Chiang Kai-shek came to appreciate Japan's impartiality in defending the inviolability of the demilitarized zone which has become a bulwark of peace not only between Japan and China but also internally for the Nanking Government against the civil war politics of China." The foregoing statement attributed to Huang Fu by the writer in the *Japan Advertiser*, said further that all of these considerations had caused China's three outstanding leaders, Gen. Chiang Kai-shek, Wang Ching-wei and Huang Fu to regard the established policy of "continud resistance" as a face-saving issue to be folllowed by *"an approach to direct negotiations in which Manchukuo will be virtually recognized."* In conclusion the article said that Foreign Minister Hirota was seriously considering the relinquishment of Japan's exterritorial rights in China in exchange for China's recognition of Manchukuo, but from a practical standpoint it was thought that China probably would prefer to receive financial assistance for the rehabilitation of north China.

That the matter of China's recognition of the so-called Nishihara loans which were negotiated by the defunct Peiping Goverment about fifteen years ago, is also involved in the question of resumption of relations was indicated in reports which appeared in the Japanese newspapers on October 28 and 29. According to translations which appeared in the *Japan Chronicle* (Kobe) the Japanese Loan Syndicate embracing 21 banks and business houses had held a conference at the Tokyo Industrial Club on Oct. 26 when it was decided to press the National Government for both recognition and re-

payment of the loans, the outstanding interest and principal now amounting to more than Yen 600,000,000. Foreign Minister Hirota, according to a statement in the *Mainichi* had promised the Japanese bankers that he would press the question of the defaulted loans "as a means of testing China's sincerity on the entire issue of resuming friendly relations with Japan."

Soviets Reiterate That They Are Prepared for Any Japanese Surprise Attack

WEEK by week various incidents continue to occur which tend to exacerbate relations between Soviet Russia and Japan. One of the pending squabbles concerns several Russians arrested by Manchukuo police on an island in the Amur. The question of jurisdiction is involved in the incident. A more recent bone of contention has been a Soviet allegation that on Nov. 3. Japanese military airplanes flew over the villages Slavianka, Barabash, Mramornoye, Ovchinnikovo, located in the Soviet territory, on the western shore of Amur Bay, south-west of Vladivostok. The Soviets allege that there were eight scouting planes and one bomber and that they penetrated into the Soviet territory for about 15 miles. The Soviets allege that previous violations of territorial boundaries by Japanese planes had taken place, but none so serious as this.

The Japanese War Office authorities issued a formal denial, Nov. 6, based on statements furnished by the Japanese army officials, these in turn being based an inquiries made with the Kwantung Army Headquarters as well as the Korean Garrison Force Headquarters, and these "established the fact" that not a single Japanese plane had crossed the Manchukuo-Russian border. True enough, some Japanese military planes, only two or three in number, are engaged (so the Japanese statement said) in the anti-bandit campaign in the interior, but the commander in charge of the campaign had been instructed not to fly airplanes within two kilometers of the Russo-Manchukuo border.

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The Soviets celebrated the sixteenth anniversary of their Revolution November 7 with a grand display of military weapons and a monster parade of the Red Army—and it was only natural that there should be an outburst of patriotic fervor on that occasion. The deep resentment which the Soviets feel against the Japanese because of the latter's constant pressure on the Chinese Eastern Railway and the Japanese instigation of the Manchukuo authorities to arrest and persecute Soviet citizens was exemplified by a speech of a heated nature made by M. Molotov, chairman of the Soviet Council of People's Commissars, at a conference of the Soviets in Moscow on the occasion of the anniversary of the revolution. M. Molotov in belligerent tones stated that Soviet Russia was fully prepared for the possibility of any unexpected attack by Japan. The sting in this remark was that the Russo-Japanese war of 1904 was started by such an attack on the Russian fleet at Port Arthur before the formal declaration of war. The Commissar added that if such an attack should be made, the duty of the Red Army would be simple. namely the complete destruction of the enemy. During the time that Mr. Molotov was making this impassioned statement at the Opera House, the streets were thronged with soldiers and workers preparing for the celebrations; when the crowds received a report of the speech they burst into cheers.

The following are extracts from the speech:

"The Soviet Union cannot shut its eyes to developments in the Far East."

"It is a fact that there has been open discussion in certain Japanese Government circles and in the press regarding plans against our Eastern provinces."

"Some Japanese military leaders are alleged to have declared that war without a preceding declaration was preferable to a declared war. With this situation in view, Soviet Russia must be and is prepared to repulse a sudden attack."

"We cannot ignore the Japanese attempts to disregard agreements that already exist. We will continue to unmask all such attempts."

"I wish to repeat that we regard Japan as the real master in Manchuria and we will hold Japan responsible for anything that takes place there."

Simultaneous with the delivery of the speech by Commissar Molotov, M. Yurenev, the Soviet Ambassador in Tokyo, and Mr. Hirota, the Japanese Foreign Minister, had an interview which lasted for more than three hours. The Soviet attitude in this interview was apparently not quite so bellicose as were Commissar Molotov's remarks, but the general tone of the Soviet attitude was one of protest against Japanese pressure—pressure which has been applied in many directions. It is to be noted in this connection that there is a close parallel between the Soviet attitude of protest during the past year and the attitude of protest adopted by President Wilson against Germany in the World War period, that is, before American joined in the war against Imperial Germany. President Wilson sent so many protests that the world for a while really thought that he was serious when he said "America was too proud to fight." Later events proved different. Whether the parallel with the Soviets and their protests will go further remains to be seen.

At the above interview the Japanese Minister confirmed previous denials that Japanese planes had crossed the border into Soviet territory. He also upbraided the Soviet Ambassador for giving publicity to the "forged documents" purporting to have been reports sent by General Hishikari to Tokyo, without them having been submitted to Japan's representatives beforehand. Mr. Hirota said that this had caused tension in the Russo-Japanese situation and therefore both Russia and Japan must endeavor to improve the atmosphere. Dealing with the contemplated transfer of the American Fleet from the Pacific to the Atlantic, which, he said, had created a favorable impression in Japan, Mr. Hirota said that this was a good example and that Russia should make some gesture to improve relations with Japan. The Japanese foreign minister assured the Soviet ambassador that Japan had no intention to block the negotiations for the transfer of the Chinese Eastern Railway, but said that the present atmosphere was unsuitable for the

continuation of the conference. In reply, M. Yurenev is stated to have agreed with Mr. Hirota on the necessity of improving relations between the two countries and promised to refer the matter to his government.

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Questions referring to the Russo-Japanese relations were the subject of the exchange of views at a reunion held in Tokyo, Oct. 31 at the official residence of the Foreign Minister of the leading officials of the Foreign Office and prominent businessmen and financiers interested in trade with Russia. In surveying the Russo-Japanese relationship, Foreign Minister Hirota is reported to have expressed his hope of settling various pending problems between the two countries through diplomatic means to the best possible limits. As to the time and procedure for employing such diplomatic means, the Foreign Minister considered it proper to wait for such moment as Russia might reconsider her present attitude toward Japan which has lately undergone some striking change as was evidenced in the publication of alleged Japanese official documents.

The incessant talk of the inevitability of another Russo-Japanese war has so frightened a number of Harbin residents that they are "selling out" and leaving Manchukuo for good. The same tendency is noticeable in both Changchun and Mukden, but in a lesser degree. Although these fears are characterised as baseless by tne Japanese military authorities, they have so affected the normal situation in Harbin as to inspire the issue of an official statement minimising the import of the troop movements. The statement declares that the redisposition or troops has been undertaken in connection with projected anti-bandit drives.

Soviets Claim Railway Cars Belong to Them

According to a report from Harbin, at the last sitting of the Chinese Eastern Railway board the Soviet part of the board again explained the situation with regard to the powerful locomotives allegedly seized by the Soviet railways. As regards the statement of the Manchurian representatives alleging that the Soviet railways owe the C.E.R. 3,000 cars, the Soviet representatives showed on the basis of concrete documentary figures and book records that, on the contrary, the C.E.R. had an excess of 1,480 freight units belonging to the Soviet railways, which amount does not include 231 Canadian freight cars, 50 refrigerator cars, and 98 oil tank cars.

Visiting Li Hsiao-keng, Manchukuo president of the Chinese Eastern Railway, M. Molisoff, Soviet commercial agent in Harbin last week demanded the immediate cessation of the blockade of the Pograninichnaya railway station, which has stopped the transportation of petroleum and benzine oil from Vladivostok to Manchuria for a long time. The Soviet commercial agent warned Mr. Li that he might be forced to withdraw from Manchukuo if the demand should not be accepted.

The Manchuko controller of the Chinese Eastern Railway having refused to sanction the payment of salaries of the Chinese Eastern Railway employees, Kalina, Lavroff, Kublei and Abloff, who were arrested on September 24, Mr. Rudy, the Soviet General Manager of the Chinese Eastern Railway, retaliated by instructing the cashier to stop *all* payments of salaries.

Canadian Newspaperman Praises Russian Achievements

Robert Cromie, publisher of the Vanconver *Sun* gave impressions of a nine-day visit to Russia, before the Vancouver Board of Trade Aug. 14. "Russia will have hardships and privation," said Mr. Cromie. "She is having them today if you look underneath. But if out of the mess and chaos of China you could bring the same order and discipline that Russia has, would you say it would be a worthwhile change for Canada and other nations to help make? You and I may not agree with the methods Russia used, but can any reasonable person question the results."

Mr. Cromie did not stick to the beaten tourist track while he was in Russia, he told his hearers. He darted hither and yon in search of facts and during his stay he interviewed 110 persons from all walks of life. The shabbiness and drabness of street life in the Russian cities at first depressed him, but insofar as he was able to learn, the reports of starvation in the country, particularly the Ukraine, are exaggerated. He was much impressed by the Russian attitude to religion. The church is not stamped out in Russia, he said, although the government does not officially recognize it. Russia has taken the supernatural and superstition out of religion, the speaker declared, and this was a beneficial thing. "The sex problem in Russia takes care of itself; they are too busy at work," he said. It took Japan only 30 years to modernize industrially Russia is doing it in 10.

Nanking Denies Non-Aggression Pact Negotiations

The Nanking Foreign Office Nov. 3 officially denied a Shanghai report regarding negotiations at Moscow and Nanking for a Sino-Soviet non-aggression pact. The Foreign Office said that the report was "entirely without foundation."

Trotsky Says Reds Can Win War Against Japan

The Paris newspaper *L'Oeuvre* has completed the publication of an article by the exiled Bolshevist leader Leo Trotsky in which he decries the "hypothesis of pseudo-invincibility of Japan" and writes that two wars are looming—one of Japan against the United States and the other of Japan against the Soviet Union.

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Soviet Embassy Holds Reception to Celebrate Revolution

Wang Ching-wei, Dr. H. H. Kung and Admiral Chen Shao-kuan were among the many distinguished Chinese leaders who attended a reception at the Soviet Embassy at Nanking, Nov. 7. in commemoration of the 16th anniversary of the November Revolution. It was the first official function given at the Embassy. Also among those present were the German Minister, Dr. C.P. Trautman; the American Consul-General, W. R. Peck; the British Consul, A. P. Blunt, and the Japanese Consul-General, Mr. Hitaka. The Soviet Ambassador, M. Bogomolov, was assisted by the 1st Secretary of the Soviet Embassy; M. Menny, the Soviet Cousul-General at Shanghai; M. Spilvanek, the manager of Centrosojus, Ltd.; M. Markhov, the manager of the Shanghai branch of the Far Eastern Bank, M. Doubond, the manager of the United Petroleum Trust; M. Fromberg, the head of the consular department of the Soviet Embassy; M. Angarsky, the director of the Timber export section of Centrosojus; M. Moiseiev, and others.

Celebrations of the event were general throughout Russia November. 7.

Third International Conference for India Held in Geneva

Dr. Taraknath Das, Ph.D., writes from Japan that the most interesting feature of the recent Third International Conference for India was that even Mahatma Gandhi, who in the past did not believe in foreign work, sent his personal representative Bholabhai Desai of Gujrat. The left wing of the Congress Party was represented by V. J. Patel and Subhas Chnadra Bose. (Owing to serious and sudden illness, Mr. Patel, who came to Geneva from Vienna, could not take part in the conference.) Mrs. Hamid Ali, Mrs. Keron Bose, Mrs. Mayadevi Ganguli represented Indian women. The public meeting of the conference was presided over by Dr. Edmond Privat, the President of the International Committee for India. This meeting was attended by about one thousand persons. Mrs. Bholabahi Desai and Subhas Chnadra Bose expounded the position of the All India National Congress and the repressive measures adoted by the British Government of India to crush the movement for Indian freedom. Mr. Desai expounded the Civil Disobedience Movement in India while Mr. Bose emphasized the point that the Indian people, especially the youth, will not be satisfied unless they achieve complete independence. Miss Agatha Harrison in a short but pointed speech denounced England's policy of repression and appealed for better understanding between England and India and laid stress on the necessity of making known to the outside world the work of the Indian people towards the progress of their country. Mrs. Hamid Ali spoke on the strength of women's movement in India, its concern for social reforms, and its efforts towards securing the franchise on a basis that will give full opportunities for service to the country.

American Minister Johnson to Make First Visit to South China

Nelson T. Johnson, American Minister, arrived in Nanking this week and after a few days in the Capital conferring with Chinese officials, he plans to proceed to South China, traveling aboard the U. S. S. Houston as the guest of Admiral Upham. This will be Mr. Johnson's first trip to South China since his appointment as Minister to China in 1929.

Dr. H. H. Kung, New Finance Minister, Will Strive to Balance Budget

DR. H. H. KUNG, the new Minister of Finance, took up the duties of his office Nov. 6. Dr. Kung was welcomed at the Ministry of Finance in Nanking by Vice-Minister Li Tiao-sen and a special guard of honor. After the seals of the Ministry were delivered to him, Dr. Kung received the staff in the auditorium of the Ministry. Wang Ching-wei, President of the Executive Yuan, presided at the ceremony at Government House and handed over the seal of office to Dr. Kung (who is concurrently Vice-President of the Executive Yuan). Yeh Chu-tsang administered the oath on behalf of the Party. Mr. Yeh declared that the fundamental basis of solving the financial difficulties was to promote the people's economic well-being and he expressed the hope that in the formulation of measures for financial readjustment, Dr. Kung would keep constantly in mind the fundamental policies of the Government.

In the course of a brief address, Dr. Kung declared that while fully aware of his limitations, he had accepted his new post with the determination, firstly, to assist General Chiang Kai-shek to complete the bandit-suppression campaign and, secondly, to relieve T. V. Soong from the burdens of the Ministry, so that he might devote himself with undivided attention to the more important work of economic reconstruction. Dr. Kung in an interview Nov. 1 further stated that he fully realized the difficulties and responsibilities devolving upon him with his assumption of the post of Minister of Finance; but, in view of the fact that the country, at this critical moment, could not be left without a man willing to shoulder the task of tackling its financial problems, he had heeded the persistent appeals of General Chiang Kai-shek, Wang Ching-wei and other leaders and had agreed to assume office. Dr. Kung said he refused to make any boastful statement of confidence in his ability to solve the present financial difficulties, but he could promise that he would do his utmost to balance the national budget.

Denying the rumors that T. V. Soong's resignation was connected with the foreign policy of the Government, Dr. Kung stated that the resignation of his predecessor was mainly due to insistence on his policy of a balanced budget. On the other hand, the administrative and military leaders felt that, while the balancing of the budget was very important at the present time, the successful prosecution of the anti-Communist campaign was more vital to the nation. During the Kuomintang's anti-Northern expedition, he recalled, the entire Government funds were contained in two steel boxes, which were carried wherever Mr. Soong went, and the Government only could invest a capital of $30,000 in the establishment of the First Central Bank. These facts showed what Mr. Soong had accomplished for the Chinese Government.

The following new appointments in the Ministry of Finance have been announced by the new Minister:—Jabin Hsu, Director of the General Affairs Department; Li Tang, Chief Secretary; Tseng Ko-ning and Tan Kuang, secretaries; Yang Chiung, special member of the Revenue Readjustment Committee; Kao Ping-fang, Councillor; Fei Chi-tao, temporarily charge d'affaires of the Revenue Department; Li Ming-yao, temporarily assistant-in-charge of the Revenue Department; Chang Kuo-cheng, staff member in the Revenue Department.

Chin Fen, director of the accounts department of the Ministry of Finance and chief secretary of the National Economic Commission, becomes administrative vice-Minister of Finance in succession to Li Tiao-shen, resigned.

H. O. Tong Resigns as Director of Customs

Mr. H. O. Tong, superintendent of customs, has tendered his resignation to the Ministry of Finance. It is understood that the change of leadership in the

Dr. H. H. Kung

Dr. Kung is a descendant of Confucius; he is 53 years old and a graduate of both Yale University (M. A. 1907) and Oberlin College (B. A. 1906); from the latter institution he received the degree of LL. D. (1926). Dr. Kung participated in the first Revolution in 1911 which overthrew the Manchu regime. Upon the establishment of the Republic he introduced many reforms into Shansi under the administration of General Yen Shih-shan, including the establishment of the Oberlin Shansi Memorial Schools. Following the Washington Conference, when Shantung was returned by Japan to China, he served as Chief of the Industrial Department of the Shantung Rehabilitation Commission. When Dr. Sun Yat-sen set up his military government in Canton Dr. Kung became Finance Commissioner of the Provincial Government of Kwangtung, holding concurrently the office of the Minister of Finance as well as Minister of Industry of the Nationalist Government. In 1927, when the Nationalist Government was formally inaugurated in Nanking, he was made the first Minister of Industry, Commerce and Labor, which office he held up to December 1930, when the Ministers of Industry, Commerce and Labor and of Agriculture and Mining were amalgamated into the Ministry of Industries and he was appointed Minister of the same. Dr. Kung is related to Dr. Sun Yat-sen by marriage, having married into the same family. Madame Kung and Madame Sun being sisters. He is also related to General Chiang Kai-shek, Madame Chiang being the youngest sister of Madame Kung.

Finance Ministry accounts mainly for Mr. Tong's decision to retire from the customs service.

Many messages of congratulation were received by Dr. Kung on his assumption of office. The Shanghai Native Bankers Association, the Chunghua Native Goods Association, and the National Associated Chambers of Commerce were among the first to telegraph the new Minister wishing him success in his arduous post.

Congratulations on his appointment as Minister of Finance were also received by Dr. Kung from many parts of the world. Among the large number of messages was one from the Mancheester Chamber of Commerce, "Recalling your visit to Manchster in February, we offer you our congratulations." Theodore Roosevelt, an old friend of Dr. Kung, cabled his felicitations from New York.

—*North-China Daily News*

This cartoon by the well known Russian artist Sapajou was published in the local British organ in connection with the reports of the resignation of T. V. Soong, Finance Minister. It was entitled: "Something wrong with the horse."

Chinese Press Urges Retrenchment

Commenting editorially on Dr. H. H. Kung's assumption of office as Minister of Finance, the *Min Pao* writes approvingly of the financial policy enunciated by the new Minister. The journal expresses satisfaction with the fact that though appointed but a few days ago, Dr. Kung has already taken over the duties of the Finance portfolio. This fact alone is sufficient to calm down the financial situation. Referring to the financial policy of Dr. Kung, the journal observes that the policy of the new Finance Minister is to seek new sources of revenue and to retrench expenditure as far as possible so as to balance the national budget. Moreover, he will also pay particular attention to the development of the productive power of the nation.

Commenting on the resignation of T. V. Soong and the appointmenent of Dr. H. H. Kung as Minister of Finance, the *Chung Hua Jih Pao*, in an editorial, observes that while this change in the finance portfolio does not affect the general situation of the Government, the stringent condition of the Central Treasury demands immediate attention. In order to remedy the situation, the journal urges that strict retrenchment be observed by both the military and civil authorities, and the revenue system readjusted so as to yield more income to the Government.

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President Wang Ching-wei at a press reception given by the Publicity Committee of Central Party Headquarters in Nanking Nov. 2 said the Government has only one foreign policy and it can hardly be said to have undergone any change. T. V. Soong also made a statement to the same effect. On the question of bandit-suppression, President Wang said that the Government is determined to suppress the bandits at all cost so that the work of reconstruction may be rendered possible.

Straitened Condition of National Finance

Speaking at the weekly memorial service at Central Party Headquarters Nov. 6, President Wang dwelt upon the straitened condition of the national finances, the monthly deficit having now mounted to about $12 millions. The financial difficulties now facing the Governmnt, he said were most serious and the only way to cope with such difficulties was to readjust the existing taxes and eradicate corrupt practsice in the system of revenue collection, so that revenue might be increased without enhancing the burden of the people.

Wang Ching-wei came to Shanghai from Nanking Oct. 31 with the object of seeing T. V. Soong. He was accompanied by Sun Fo and several other Government leaders. Messrs. Wang and Sun made a joint request to Mr. Soong not to resign from the membership of the Standing Committee of the National Economic Commission and to urge him to proceed to Nanking as soon as possible.

The *China Times* says that Dr. H. H. Kung, the new Finance Minister, is requesting T. V. Soong that he accept the post of President of the Central Bank. The matter is stated to be under consideration by Mr. Soong.

Rumors are in circulation in Nanking that Dr. C. T. Wang, the former foreign minister, will re-enter the government as minister of communications, with the present incumbent, Chu Chia-hua, becoming chairman of the Chekiang provincial government.

General Lu Ti-ping, chairman of the Chekiang provincial government, has resigned. General Huang Fu, chairman of the Peiping Politicai Council, is being repeatedly mentioned as a successor to Dr. Lo Wen-kan as minister for foreign affairs, but it is not expected that he will accept the post.

Sun Fo, president of the Legislative Yuan, held a conference with Messrs. Li Shih-tseng and Chang Ching-kiang, members of the Central Supervisory Committee of the Kuomintang, in Shanghai November 5. It is said that plans are on foot for the formation of a coalition Government to meet the national emergency.

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Wang Ching-wei Makes Move to Abolish Exorbitant Taxes

As a preparatory step to abolition of the many miscellaneous taxes and levies now imposed in various parts of the country, President Wang Ching-wei, in his capacity as Chairman of the Rural Rehabilitation Commission, has dispatched identic telegrams to the Chambers of Commerce and other civic organizations throughout the country instructing them to investigate and submit detailed reports on the various miscellaneous taxes and levies prevailing in their respective localities. The telegram points out that the existence of these taxes

constitutes the main obstacle to the revival of rural economy.

In accordance with General Chiang Kai-shek's recent instructions, an elaborate retrenchment policy is now being carried out in Kiangsu, Chekiang, Anhuei, Honan, Kiangsi, Hunan and Hupeh. In future all overlapping bodies will be merged, their staffs reduced and other economies effected. All revenue received by provincial treasuries will be handled by magistrates or finance bureaus with all funds for local purposes to be put at the disposal of the newly-formed Financial Affairs Committee, which will have the power to veto any expenditure of which it does not approve.

Commenting on President Wang Ching-wei's circular order to all Provincial, Municipal and District (hsien) authorities to report immediately to the Executive Yuan the names and rates of the various taxes or levies imposed in their respective areas, the *Chen Pao* appeals to the entire nation to support this move on the part of the Government, aimed as it is at the abolition of the various exorbitant taxes and the alleviation of the sufferings of the people.

The Shanghai *Morning Post* comments:—"A situation has been created in this country which results that, at many places, the amount or revenue collected under various kinds of illegal taxation far surpasses that collected as regular taxes. It has been the policy of the Government to abolish these taxes so as to give relief to the people, but so far this policy has not been carried out. Now that Wang Ching-wei was ordered the provincial authorities to make detailed reports to the Government on the number of existing irregular taxes in their respective provinces, there is a promise of relief for the people. Although the Government realizes the necessity of doing away with these illegal taxes, they must have close co-operation from the provincial authorities. The Government cannot know of the existence of these sundry irregular taxes if the provinces do not report them. We cannot deny that, under such cicumstances, certain provinces may not carry out the orders of the Government. In this case, the people themselves must co-operate by making independent reports to the Government on the number of taxes in their respective cities or towns."

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Dr. C. T. Wang, former Minister of Foreign Affairs, speaking at the weekly memorial at Central Party Headquarters in Nanking Oct. 31 on the necessity of mobilizing the industrial forces of the nation, declared that in order to remove any danger to the nation and promote the welfare of the people it was absolutely necessary to develop the country's industries in accordance with the bequeathed teachings of Dr. Sun Yat-sen. Dr. Wang pointed out various difficulties that were impeding the industrial development of the nation. On the one hand, he said, the nation lacks private capital while the need for industrial investment as well as expert technical assistance is not generally recognized. On the other, the general situation of the country is not yet settled, communication facilities are inadequate and taxation is altogether too heavy.

Wang Ching-wei, President of the Executive Yuan, a the weekly memorial service in Nanking Oct. 31 said that peace at home and peace abroad is what China needs most, as only under these circumstances can she carry out successfully the program of bandit-suppression and national reconstruction.

President Wang referred with gratification to the report that negotiations for the resumption of diplomatic relations between Soviet Russia and the United States were about to be realized. President Wang also declared that while China was watching with keen interest developments in the international situation, she fully realized, however, that she had absolutely no use for the old school of diplomatic tactics with its wily maneuvers and stratagems. On the contrary, she would devote herself faithfully and in real earnest to the task of reconstruction in order that he might build up a sound and modern State.

Wang Ching-wei may be formally appointed Foreign Minister shortly instead of functioning in an acting capacity as at present. It is said that shortly after his return to Nanking Dr. Lo Wen-kan will submit his resignation as Minister for Foreign Affairs and return to his post of Minister of Justice.

Cotton Control Commission to Raise Cotton Prices

The Cotton Control Commission of the National Economic Commission has decided to set aside four million dollars to raise the value of Chinese cotton by purchasing a part of the surplus cotton on the market. The funds required will be advanced by the various Chinese banks in Shanghai.

The Shanghai Grain Merchants Guild is again pressing the Government to hasten the enforcement of an import duty on foreign rice.

A detailed report containing an explanation of the causes leading to the stagnation of the native-grown wheat market, together with recommendations, which was jointly submitted by the Rural Rehabilitation Commission, the Nanking Municipality and the Ministries of Industry, Finance and Railways, was adopted by the Executive Yuan at its meeting held Oct. 30 under the chairmanship of President Wang Ching-wei. The report and the proposals are to be forwarded to the National Economic Council for reference, and referred to the Rural Rehabilitation Commission and other organs concerned for enforcement.

The National Economic Council is taking active steps for the rehabilitation of the domestic cotton industry. In order to increase the production of native cotton so that the country may become self-sufficient in this respect, the National Economic Council has despatched Sun En-lin, technical expert, to various cotton-producing centers to study the local methods of cotton cultivation with a view to devising measures for the improvement of native methods. The Cotton Control Committee will also shortly despatch representatives to various parts of the country to conduct local investigations into the market situation with a view to introducing measures to raise the price level.

The Government has received a fresh demand from the Kiangsu Provincial Government for a sum of $10,000,000 from the American Wheat and Cotton Loan for road construction in the salt producing district in Northern Kiangsu.

The Ministry of Industry has invited the Ministries of Finance, Foreign Affairs, War and Communications to attend a joint conference on November 10 to discuss the question of a tax on foreign coal dumping.

Following the example of the Hunan Provincial Government, the Anhwei Provincial Government will also ship rice to Kwangtung in order to meet the shortage in the rice market there.

N. E. C. to Open Branch Office in Peiping

The National Economic Commission will soon establish a branch office in Peiping. Wang Keh-min, former Minister of Finance of the Peking Government, will be appointed Chairman of the Peiping Branch Commission.

The Standing Committee of the National Economic Council will shortly add two members, probably Dr. H. H. Kung, Minister of Finance, and Ku Meng-yu, Minister of Railways—these being in addition to the present members, namely, President Wang Ching-wei, President Sun Fo and T. V. Soong.

The Executive Yuan convened a preparatory meeting Nov. 3 to determine the agenda for the forthcoming conference of representatives of the various Boards of Trustees and Commissions for the British, American, French, Belgian, and Dutch Boxer Indemnity Refunds.

The fifth annual session of the National Association of Public Utility Enterprises was opened at the Hankow Chamber of Commerce Nov. 1. It was presided over by Wang Shu-cheng. Li Yen-shih recalled the various industrial enterprises in Hankow and Wuchang, initiated by the former Viceroy, the late Chang Chih-tung, and called upon present-day engineering leaders to press for the re-opening of some of the factories, which have been closed down, with a view to making Wu-Han the industrial center of China.

With the Yangtsze train-ferry service between Nanking and Pukow successfully inaugurated and a magnificent bridge constructed over the Pearl River at Canton, the Chinese government authorities are now planning the construction of a $5,000,000 bridge across the Chientang river, near Hangchow, Chekiang.

Shanghai Banks Asked to Render Financial Assistance to Kaifeng

In order to allay the financial panic in Kaifeng caused by the recent suspension of the Hsinchang native bank, General Liu Chih, Chairman of the Honan Provincial Government, in a telegram to those banks in Shanghai which maintain branch offices at Kaifeng, has requested that financial assistance be extended to the local banks which are in difficulties, so that they may tide over the crisis. General Liu promises to furnish the necessary guarantees for the eventual repayment of any loans that the banks at Shanghai may extend to the banking interests in Kaifeng.

Japan Now Tackles the Difficult Task of Deciding Her Internal Policy

THE first conference of a series which will discuss the establishment of Japan's internal policy was begun in Tokyo Nov. 7, following the regular Cabinet Council. Agricultural, thought and educational problems were put to debate by State Ministers during the conferences. Despite the general expectation that War Minister Araki, who made important recommendations to Premier Viscount Saito regarding the country's diplomatic policy, might put forward similar recommendations regarding the country's internal affairs, it has now become apparent that he has given up the intention of making further recommendations regarding the government administrative affairs for the time being. Unlike Japan's foreign policy, the proposal for the establishment of a unified internal policy is being made by the Premier, Viscount Saito. The conference which started on November 7 is the first of a series of negotiations to be held successively for some time to come. Despite the insistence of army and navy circles for unconditional approval of their demands, it is expected that the financial authorities will make a drastic cut in the original demands made by the War and Navy Offices. Finance Minister Takahashi, while recognizing the importance of the country's national defense under the present international situation, nevertheless continues to emphasize the fact that the national defense appropriations should be fixed without seriously affecting the country's finances. *Rengo* however, comments:—"In view of the unusually strong position the army and navy authorities have been maintaining in demanding fresh military expenditires, how the financial authorities will be able to convince the military about the necessity of big retrenchment in their expenditure is watched with deep interest."

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The remainder of the government's billion yen domestic bond issue to cover the budgetary deficit of the present fiscal year will be shortly offered to the public. The bonds are to be issued in units of Yen 100 bearing interest at 4 per cent. They will be offered at Yen 98.50 making the yield 4.12 per cent. The term is for 25 years.

Apprehension prevails among Japanese Finance officials that the next national budget will establish a new record, far surpassing that of 1933. It is feared that the Finance Office will not be able to check the total at Yen. 2,050,000,000, the figure set by the Account Bureau, notwithstanding the Finance Minister's political negotiations, owing to the impending strong demand for the revival of most of the original estimates by each Government Office.

The suggested total of Yen 2,050,000,000 is to be met by ordinary revenue of Yen 1,260,000,000, revenue of Yen 760,000,000 from Government bonds and a transfer of a Yen 29,000,000 surplus from this year. Of the proposed appropriation, Yen 1,400,000,000 is basic expenditure on top of the Yen 630,000,000 for new enterprises. The *Nichi Nichi* asserts there is no reason to believe that the Army and Navy will be content with the ruling of the accountant bureau, cutting their desired appropritions by half. As the result of political negotiation between the Finance Minister and the Ministers of War and the Navy, therefore, the newspaper is convinced the final budget for the next fiscal year will exceed any previous appropriation in the country's history.

Japan's 1933 Trade Shows Large Increase

Japan's foreign trade this year may exceed a total of Yen 3,500,000,000 in view of the extraordinary activity in industrial circles During the first 10 months of 1933. Japan exported goods amounting to Yen 1,523,072,000 and imported goods to the amount of Yen 1,560,309,000 as against Yen 1,085,423,000 and Yen 1,151,530,000 of the corresponding period of last year. The amount of exports shows an increase of Yen 437,649,000 while the amount of imports increased by Yen 408,779,000 over those of last year. The adverse balance stands this year at Yen 38,000,000, but this is much less than that of last year, when it was Yen 66,107,000.

Japanese Planes Fly Over Kwangtung Province

Two mysterious planes, believed to be Japanese, flew over Pinhai district in Kwangtung on October 27 and hovered above the city for a considerable time. Photographs of the districts are understood to have been taken by the pilots. The two planes then left in the direction of Formosa.

Japanese Takes Measures to Ensure Oil Supply

The Department of Overseas Affairs is contemplating the establishment of anational oil policy, so as to provide oil for national defense. The Departmental budget for the next fiscal year contemplates the addition of necessary expenditures for the improvement of oil fields in Formosa and Saghalien. The Department desires to earmark altogether Yen 1,500,000 for said purpose.

An amalgamation of the three largest oil refinery companies in Japan, viz. the Nippon Sekiyu, the Mitsubishi Sekiyu and the Ogura Sekiyu may materialize in the near future. An agreement of opinion for it has already been reached between the managements of the three concerns. The direct incentive for the merger is the gasoline warfare between Mr. Matsukata and the "Big Six." Between two fires—Soviet oil and Anglo-American oil—these Japanese refineries have been put into a very difficult position. It is hoped that the present merger will facilitate the establishment of the national policy in regard to liquid fuel for which, in concert with the Government, they have been striving for several months past.

With a view to effecting closer transportation between Japan and the Japanese mandated South Sea islands, Mr. Hayashi, Governor of the South Sea Islands, is conferring with the Japanese Overseas Ministry for the launching of a regular air service in the Pacific.

U. S. Shipments of Cotton to Japan Establish Record

The New York Cotton Exchange announced Oct. 23 that the cotton exports to Japan for the current 12 weeks were the largest in history. The season's exports to date total 461,795,000 bales, compared with 273,827,000 bales for the same period of last season.

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Mitsuis Give Yen 30,000,000 to Relieve Agriculturalists

The immensely wealthy Mitsui interests announced Nov. 1 the unprecedented gift of Yen 30,000,000 for the relief of agricultural distress and for various social works of public benefit. A *Reuters'* message recalls that the Blood Brotherhood and other terrorist plots were largely the outcome of anti-capitalism and agrarian unrest. Mr. Takumada Dan, the head of the Mitsuis, was assassinated last year.

Anti-Red Raids Made by Police in Fukushima Prefecture

It was recently disclosed that as a result of general raids which were conducted for a week from March 12 to March 18 at various places in Fukushima Prefecture, extending as far as Sendai, 69 persons were rounded up by the police. One of the features of the case is the implication of seven school teachers, while Sadao Matsuyama, aged thirty-five, professor of the Fukushima Higher Commercial School, also has been charged with having acted as the leader in its theoretical direction. Another featured person involved in the Fukushima Communist movement was Yutaka Miyajima, teacher of mathematics of the Sendai First Middle School. When he was about to be arrested by the police at his residence in Sambyakunin-machi on March 15, he broke his leg in an attempt to flee (in disguise) by jumping from an upper story.

On suspicion of illegally printing Communist matter, more than 20 printing office proprietors have been rounded up in Tokyo. Lured by favorable rates offered by Shichiro Matsukawa, son of the late General Matsukawa, and the chief of the printing section of the Communist Party, they are alleged to have undertaken the printing of the *Sekki* ("*Red Flag*") and other Communist pamphlets.

Of over 360 students who were arrested on the occasion

of the Professor Takigawa case (most of them having been released since), the Tokyo Imperial University announced two expulsions and seventeen suspensions. Taking advantage of the students' sympathetic movement arising in the University in response to the Kyoto trouble, it is alleged that they attempted to make Communistic influence permeate into the Tokyo Imperial University.

Atsushi Kawai, a Tokyo lawyer, who was lately remanded by the Yotsuya police, charged with acting for Leftist circles, is stated to have sworn his conversion and his abstention from any communistic movement in future.

Kinnosuke Otsuka, former professor at the Tokyo University of Commerce and regarded as a leading Communist in Japan, has also publicly renounced his radical activities and has pledged himself to make amends for his past misdeeds.

Death Penalty Imposed on Assassin Who Killed Premier Hamaguchi

The Supreme Court in Tokyo Nov. 6 imposed the death penalty on Tomeo Sagoya, assassin of the former Premier, Yuko Hamaguchi.

Women as Red Propagandists

A woman named Matsuno Takaoka, aged twenty, was recently examined by the Waseda police. She is to be charged with distributing red literature to wounded soldiers. According to the revelations so far made, it appears that, under the disguise of a sympathetic observer she visited the military hospital for that purpose. As to her ostensible job, she is alleged to have worked as a cafe waitress.

A school of 50 students at Yokohama designed to inculcate subversive doctrines in factory employes, and a startlingly large number of young women employed in radical activities, has been descovered by the police. It was indicated that one of the girls was employed in visiting wounded soldiers in hospitals in an endeavor to convert them to revolutionary beliefs. Raids conducted recently resulted in the arrest of seven Communists, including one girl, and the disclosure of a "school" organized to train Communists to reform the Kanagawa Prefecture branch of the Communist party.

Japan's Communist Pioneer Dies in Russia

Sen Katayama, father of Japan's proletarian emancipation movement and a prominent figure in the International Communist movement, died at the age of 74 on Nov. 5 at Moscow. He went to Moscow in 1922 to preside over the Far Eastern People's Congress sponsored by the Comintern and had been residing in the Russian capital ever since. Katayama spent the first several years of his exile in America, where he played an active role in organizing the American Communist Party. It was also during this period that he became acquainted with Trotzky, Bucharin, Plekhanov and other leading revolutionary leaders of Russia who were to play a prominent part in the October Revolution.

Americans of Japanese Origin Suspected of Being Spies

The Metropolitan Police Board will shortly conduct a rigid census of Americans of Japanese origin. According to its investigation, the number of such Americans residing in Japan amounts to about 40,000, of whom, it is alleged, some are acting as spies for America. The *Japan Chronicle* says the new attempt of the Tokyo police is apparently the result of some instances involving such Americans in spy cases in the past.

Dr. Josph Rock will Publish Book on Devil Worshippers of Yunnan

Dr. Joseph R. Rock, a native of Vienna, will sail from Shanghai for Europe Nov. 14, after 12 years of research work in West China—on behalf of Harvard University, Berkeley University, California, the National Geographic Society and the United States Department of Agriculture. He will proceed to England, where he will have a book published by Keegan-Paul on the Nakhi—the "Black People" inhabiting the north-west section of the province of Yunnan on the Tibet and Szechuen borders. These people are adherents of Shamanism or devil worship.

Finance Ministry Borrows $2,500,000

A new loan of $2,500,000 has been granted by native banks in Shanghai to the Finance Ministy, arrangements in this respect having been completed, according to which a portion of the newly-issued $100,000,000 Customs treasury bonds will be used as security for the latest loan.

Utah Votes Wet---Prohibition Is Killed

U. S election results, Nov. 8: La-Guardia, Republican, elected Mayor of New York; Tammany candidate badly defeated. Prohibition amendment killed as a result of Utah (36th state required) voting wet.

Henry Ford notified the National Automobile Chamber of Commerce Oct. 31 that he would submit the wages and hours report as required under the automobile code of the National Recovery Administration, but later Ford laid off 45,000 workers, leaving the big Dearborn plant idle for seven days. Thereupon Adimnistrator Johnson said be was ready to consider an exception to the automobile code.

The formation of a series of corporations to escape taxes was revealed by Albert Wiggin, former president of the Chase Bank, testifying before the Senate Banking Investigation committee Oct. 3.

The move initiated by the Farm Holiday Association to bring about a general strike in the farm industry suffered a temporary setback Oct. 31 when the farmers' strike in Wisconsin was called off. Later a tense farm situation developed, the organization of military units being reported. More than 2,000,000 farmers in over half the States in the Union are now involved in the farm strike. The farmers demand prices showing a fair profit, following President Roosevelt's opposition to deliberate price fixing of farm produce.

In spite of what is said to be the growing scepticism of his financial advisers, President Roosevelt is determined to go through with his gold-buying experiment. Up to Nov. 7 the Government had purchased only $3,000,000 gold abroad, but R.F.C. has cash to the amount of U.S. $5,000,000,000 which can be applied for gold purchases abroad. The Roosevelt policy led to the decision of O. M. W. Sprague, generally adviser to the Treasury, to resign. The New York State Chamber of Commerce is demanding the restoration of the gold standard, while the Consumers' Board has joined with the Trade Unions in opposing the "business fascism" plan proposed by Gerald Swope.

Soviets Want Old Debts Paid

Telegrams from Washington indicate that when the negotiations between Comrade Litvinoff and President Roosevelt get into full swing and the U.S.A. makes its claim for old Tsarist debts, the Soviets will present a counterclaim running into billions of dollars for damages caused by the allied expedition into Siberia during the World War. Alexander Troyanovsky is slated for the post of Soviet Ambassador to the U.S.A.

The Federation of Labor declared Nov. 6 that over 4,000,000 persons have been re-employed since the inauguration of the National Industrial Recovery Administration, including 1,700,000 in October, although industrial production has declined.

Britain's Chance for Leadership in China

Sir John Wardlaw-Milne, a Conservative member of Parliament in a letter published in the London *Times* Nov. 6 stated that Britain has an opportunity now, which may never recur, to resume her former leadership in Chinese affairs. Sir John suggests a change in the permanent residence of the British Minister to China from Peiping to a city nearer Nanking as an integral part in the transition from an attitude of aloofness to one of active support. He declares that the situation in China is now undoubtedly more stable than it has been for some time past. The Chinese Government, he asserts, to-day possesses more prestige and power than any of its predecessors, but is faced with many difficulties and needs moral suport. There is no Power, he adds, to whom she should be able to look for such support more than Britain.

China to Tighten Control on Movie Operations

The Executive Yuan has promulgated a set of regulations governing the making of motion pictures in China by foreigners. According to these regulations, any foreigner who wishes to take pictures in China must first obtain a *hu-chiao* (passport) from the Government for travelling in the interior. The subject matter of the pictures must not be derogatory to the prestige of the Chinese nation nor antagonistic to the Three People's Principles.

A Far Eastern Peace Conference---Arakian Style

BY L. I. TSOK (祝隆意)

WHEN a soldier turns a diplomat and attempts to do something which is properly within the scope of functions of the latter, the effort generally ends in ignominious failure if not downright disaster. Reference is here made to the latest diplomatic stunt emanating from Tokyo in the form of a plan for a Far Eastern Peace Conference conceived and announced to the world by none other than the redoubtable General S. Araki, Japan's War Minister. Not content with his studious performance of duties in connection with his country's Heavenly-ordained mission of aggrandizement on the Asiatic mainland, ambitious Warlord Araki now tries to display his talent in another direction, in a task apparently much more refined than, and quite out of keeping with, his usual profession of wanton slaughter and destruction and the pillage and seizure of other's legal property and possessions. In so doing, little does he realize he is trampling on grounds belonging properly to his more or less worthy civilian colleagues in the Cabinet, Foreign Minister Hirota for instance. Not that there is an insinuation that War Minister Araki can hardly be in a position for reasons of incompetence or impropriety to advance such a proposal of international import. On the contrary, it is to be admitted that his success in the prosecution of Japan's Continental policy not only proves his capability in his own line but also provides him with the necessary influence and prestige to put through an international scheme of great purport. Nor is it improper in international manners for a military man to step into the shoes of a diplomat. History abounds in precedents of "the soldier as a diplomat." But, in spite of all, the very name Araki, a truculent, adamant and mendacious War Minister of a truculent, adamant and mendacious war-like race and the very association of that name with the authorship of a plan for an international peace conference cannot fail to produce grave misgivings which alone will suffice to spell its early doom. The self-evident psychological reactions, not to mention political considerations, accounts for a reception the world over which can scarcely be described as even lukewarm. Perhaps, if instead of Araki, Mr. Hirota had been the author and sponsor of the same idea the story might have been different.

Briefly, General Araki's scheme calls for the convening of a so-called Far Eastern Peace Conference to be composed of representatives of countries having interests in the Far East, as Great Britain, the United States, France, Germany, Soviet Russia, Italy, China, Japan, India, Egypt, Persia, Turkey, Afghanistan, and "Manchukuo." The aim of the Conference is to seek for a basis of guarantee of the peace of the Far East by a settlement of outstanding questions which are causes of disputes. Among the subjects to be discussed will be: (1) the Washington Treaty, including the question of revision of the naval ratio and Japan's demand for parity and the question of revision of the Nine-Power Treaty; (2) naval status after the expiration of the London Naval Treaty; (3) the South Seas and the Manchurian questions; in this regard Japan is to show her determination and to ask for a recognition of her settled policy, so as to avoid future anxieties on her part; and (4) the conclusion of an effective international peace treaty.

Araki's motives are obvious. In the first place, at the moment Russia and the United States are approaching each other for recognition and if Japan sees that recognition appears inevitable something at least should be done to forestall or mitigate the effect of that rapprochement on the situation in the Far East. Secondly, while Japan must realize that it is difficult, if not impossible, to bring the Powers into recognizing the *fait accompli* in the Far East without a showdown, the convocation of a conference of a kind as described will probably serve to relieve Japan of her present diplomatic isolation. Trade competition everywhere has barred even Britain, Japan's former ally, from being on the best of terms with her. Thirdly, Japan looks to 1925-6 as the year for the outbreak of the next war, so does America and so does Russia; both from present trends are Japan's potential opponents. The armament race is going on apace. If the issue cannot be forced now, Japan may not want to force the issue any more in 1936 when the United States completes her naval expansion program and Russia approaching the completion of her second "Five Year Plan." If a respite is needed at all, it must be provided now; later on it may not be available. Moreover, as a camouflage for Japan's sinister designs and war-like preparations, a conference convened in the name of peace has nothing to beat.

When one subjects the Arakian suggestions to the slightest scrutiny, they are immediately found to lack an element of sincerity so essential to the consummation of international agreements. The proponent of this draft scheme appears for the moment to have utterly forgotten that, in international barterings, like in individual business bargainings, the principle of "give and take" governs. Where there is "take" there must also be "give." To him it is all "take" and no "give." The so-called peace overtures reduced to their essence consist of nothing but a list of Japan's imminent wants. Japan wants naval parity; she wants the scrapping of the London and Washington Treaties to give her that parity; Japan wants another treaty to over-ride the Washington Nine-Power Treaty and the Kellogg Pact, a new treaty with whose terms her ill-obtained Manchurian gains would not be incompatible; Japan wants the recognition by the Powers of a situation created by force by the revision or cancellation of those treaties; Japan wants to keep her Mandated islands in the South Seas; Japan wants everything, but prefers to give nothing.

It is with these reasons that the Arakian style of a Far Eastern Peace Conference will, as it is said in the beginning, end in fiasco. Indeed, it is not unlike a flare-up which quickly fizzles. As a constructive proposal, it lacks sincerity and originality and as a defensive weapon and smokescreen behind which predatory nationalist policies are secretly pushed forward, it is ineffective; the inevitable destination for it is the dustbin. No practical project for peace is worthwhile considering unless and until its authors, who are themselves the very peace-breakers, have made good the injuries they have previously done.

"Moby Dick" Whale to Make Tour of North China

The whale known as Moby Dick, which has been on exhibition in Shanghai for the past six weeks, will be taken on a tour into Shantung and Hopei provinces and as far north as Peiping and Tientsin. The special steel car in which the whale is being transported was transferred during the week to the Woosung Shops of the Shanghai-Nanking Railway where necessary changes in the car were made so as to make shipment over the Chinese Government Railways possible. The whale will be exhibited in Tsinanfu for about two weeks, it will then be sent to Tientsin and Peiping. On the return trip from the North to Shanghai, arrangements will be made to exhibit the whale in all the larger towns and cities along the Tientsin-Pukow and Shanghai-Nanking Railways. The Home of Onesiphorus, an industrial organization established by L. M. Anglin in Taian, Shantung, has leased the right from the owner of the whale to exhibit it for six months in the northern provinces. The Home of Onesiphorus is using this methed to raise extra funds to help care for the many thousands of children who have been made helpless and homeless by the Yellow River floods.

Menace of Japan's Military Debts---Militaristic Feature of Japan's Public Finance

CHEN PIN-HO (陳彬龢)

CAPITALISTIC Japan commenced to develop with utmost rapidity from her backwardness as compared to European nations in the "sixties" of the Nineteen Century. Her progress was not interrupted by the World War. On the contrary, she made great strides during the years when other Powers were busily engaged in the war. Although her material resources and physical potentialities are limited—unlike the United States of America, Japan's development has been phenomenal, different entirely from England and other capitalistic nations in Europe. She availed herself, to the fullest extent, of the opportunity and military advantages offered by the World War.

However, as the fundamental position of capitalistic Japan is pregnant with contradictory elements, her upgrowth has been accompanied by difficulties. The difficulties have increased in direct proportion to the extent of development of capitalism, until they now constitute a menace of growing significance.

Japan's public finance has been seriously affected by acute economic depression as well as expansion in military expenses connected with the strife between Japan, the United States and England for control of the China market. The fact that Japan's national and local budgets were substantially enlarged during the period of the World War, serves to explain clearly the trend of events in her present financial situation.

Gerally speaking, the Japanese people possess more militaristic characteristics than other nationals, and, in domestic and foreign affairs, they have fully displayed their special qualities. It is particularly true in connection with financial matters.

As the natural resources of Japan are exceedingly inadequate to meet her capitalistic needs, she has adopted an aggressive colonial policy in order to satisfy the desire of capitalistic exploitation. Although colonial policies are the common platform of all capitalistic governments, the one advocated by the Japanese is most formidable. For enforcement of the policy, Japan's public finance is "militarized."

The outcome consists of enlargement of the military budget, including expenses such as huge appropriations to the Ministries of Army and Navy, prizes and subsidies to promote "military industries," and allowances for military education and maintenance of police forces.

The military expenses and, in turn, national expenditures, of militaristic Japan have increased year after year. In 1873, Japan's annual expenditures amounted to approximately Yen 62,000,000, but during 1933 they have been enlarged to over Yen 2,300,000,000.

According to the scale of increases in the annual budgets, large expansions occurred prior to, and after, wars. In 1894, the year before the Sino-Japanese War, Japan's national expenditures amounted to over Yen 78,000,000, and in 1898, following conclusion of the war, they amounted to Yen 200,000,000,—about three times of the 1894 figures. In 1907, the year following the Russo-Japanese War, they amounted to Yen 600,000,000 and in 1919, after the World War, they further increased to over Yen 1,170,000,000. The following table shows the increases of military expenses and their percentage as compared to totals of national expenditures during the years of particular interest:—

Year	*Military Expenses*	*Percentage*
1893	Yen. 22,822,000	36.98
1896	73,249,000	62.75
1903	83,002,000	33.25
1906	129,746,000	28.01
1912	199,611,000	28.20

From this table, it is noted that in 1896, the year prior to the Sino-Japanese War, Japan's military expenses amounted to 62.75 per cent of her total national expenditures and, in 1903, the year before the Russo-Japanese war, they amounted to 33.25 per cent. It is readily seen that preparations for war inevitably cause the expanding of the national budget. In this connection, the following table showing the comparisons of administrative, military and other expenditures may be of interest:—

	Expenditures			*Percentage*		
Year	*Administrative*	*Military*	*Debt. Service*	*Administrative*	*Military*	*Debt. Service*
1914	334,510	170,959	142,949	52	26	22
1919	524,394	536,687	111,546	45	46	9
1920	615,273	649,758	94,946	45	48	7
1921	647,259	730,568	112,027	43	49	8
1922	709,714	604,801	115,173	50	42	8
1923	858,796	499,071	163,182	56	33	11
1924	981,891	455,192	187,939	60	28	12
1925	859,718	443,808	211,462	56	29	15
1926	911,358	434,248	233,218	58	27	15
1927	991,949	491,639	282,133	56	28	16
1928	1,011,916	517,237	285,700	55	29	16
1929	961,054	494,920	280,341	55	29	16
1930	842,487	473,724	272,517	54	28	18
1931	761,564	454,614	258,696	51	31	18
1932	1,037,515	648,140	258,158	53	33	14
1933	614,570	819,043	370,524	27	36	16

(Unit of Yen. 1,000)

NOTE: Except 1933, the figures for the years are quoted from the "Kinyuzigo Sanko" or Reference Book on Financial Matters.

As a participant in the World War and being located distant from Europe, Japan was burdened with heavy military expenses of a typical nature. Meanwhile, the expenses of other branches of the government, having to do with the war situation, were also aggravated, as indicated in the foregoing table. Compared with 1914, the 1919 administrative expenditures increased 57 per cent and debt service expenses decreased 22 per cent, while military disbursements increased 214 per cent. As a result, the positions of administrative and military disbursements were interchanged, the latter having exceeded the former and occupied about 46 per cent of the total of national expenditures. The same is true with the case during the Sino-Japanese War of 1894-1895. From these facts, it may be deduced that the important cause of budget expansion lies in the increase of military expenditures which, in turn, is necessitated by war. As a rule, military situation brings about a change in financial policy.

During 1895, as a victor of the Sino-Japanese War, Japan wrested Korea (Chosen) from Chinese control, seized Taiwan (Formosa) and demanded an enormous indemnity of Yen 350,000,000 from the Chinese government. Later, in 1905, she defeated Russia in the Russo-Japanese War and took possession of the South Manchurian Railway and its settlements. Following the World War, her desire for territorial aggrandizement advanced to a geat extent and brought upon the Chinese government the so-called Twenty-one Demands in an endeavor to "colonize" the whole of China. Although the demands were not fully carried out an account of the intervention of other interested Powers, Japan was, nevertheless, able to secure many important "special privileges" in Manchuria.

From the later part of the Nineteenth Century to the early years of the Twentieth Century, the capitalistic Powers of the world seized all of the areas on the earth that were free from capitalistic influence. Besides consolidating their military strength, they have maintained monopolies and exercised financial powers in effective ways, such as international trusts, in order to partition the *terra firma* into spheres of their influence. As capitalistic Powers are now endeavoring to re-establish the demarcation of such spheres, they need stronger armaments.

Japan has exerted her utmost in competting with other Powers to expand armaments. The expenses incurred by the Ministries of Army and Navy during the last two decades are pointed out in the following table:—

Year	*Expenditures of Army and Navy*	*Percentage* (as compared to national disbursements)
1914	Yen. 170,959,000	26
1919	536,687,000	46
1920	649,758,000	48
1921	730,568,000	49
1922	604,801,000	42
1923	499,071,000	33
1924	455,192,000	28
1925	443,808,000	29
1926	434,248,000	27
1927	491,639,000	28
1928	517,237,000	29
1929	494,920,000	29
1930	473,724,000	28
1931	454,614,000	31
1932	648,140,000	33

NOTE: The figures are quoted from the "Kinyuzigo Sanko".

The appropriations of the Ministries of Army and Navy amounted to about 11 per cent of the total of national disbursements during the Russo-Japanese War (1904-1905); they reached 26 per cent in 1914, and from 46 per cent to 49 per cent during the years of 1919, 1920 and 1921, due to Japan's participation in the World War. Thus, the military appropriations occupied practically a half of national expenditures. To the purely military expenses should further be added such expenditures as incurred by other branches of the government in connection with the war situation, and the actual disbursements of a military nature should be more than all of the other expenditures for civil purposes. This summary of Japan's increasing military expenditures during the Sino-Japanese, Russo-Japanese and World Wars serves as a background of the present situation.

Stress must also be laid upon the status of Japan's war expenses—in other words, direct disbursements for war purposes during the Sino-Japanese, Russo-Japanese and World Wars as well as her military adventure in Shantung, China. These expenses were classed under "special accounting," and the amounts were quite significant as indicated in the following table:—

Sino-Japanese War	Yen. 200,475,000
Military Campaign connected with the Boxer War in China	35,643,000
Russo-Japanese War	1,508,472,000
World War	881,661,000
Shantung Adventure	44,037,000
Total	Yen. 2,670,288,000

These expenses were defrayed almost entirely by funds from national revenues under "ordinary accounting" and public loans. A small portion consisted of miscellaneous receipts derived from spoils of the wars.

Present Status of Military Loans

The principal cause of Japan's present financial difficulties lies, apparently, in her immense appropriations for "national defence"—Yen 850,000,000—which amount to 36.8 per cent of her national expenditures. This total is composed of special military allowances for invasion of Manchuria since September 18, 1931 and armament expansion in the Army, Navy and Air Forces during the current year. Although the authorities declared that these disbursements would be of a temporary nature, they have, however, placed them, in the budget, under "ordinary accounting," instead of "special accounting," resulting in overgrowth of the former. At any rate, moreover, the money is poured from the same "purse." For the purpose of evaluating the menacing situation caused by military expenses, the various ramifications are stated separately as follows:

(a) *Invasion of Manchuria*: The appropriations for Japan's invasion of Manchuria include not only the special allotments to the Ministries of Army and Navy, but also contingent allowances paid to the Ministries of Foreign Affairs, Finance, and Communications as well as the Chosen and Kwangtung military directorates. Up to the end of the current year (1933), the total of such expenses amounts to Yen 573,000,000, the distribution of which is:

Year	*Ordinary Accounting*	*Special Accounting*	*Total*
1931	Yen. 78,840,000	820,000	79,660,000
1932	297,930,000	4,410,000	302,340,000
1933	186,330,000	4,610,000	190,940,000
Total	Yen.563,100,000	9,850,000	572,950,000

(b) *Armament Expansion*: During 1933, the appropriations for Japan's armament expansion are as contained in the following table:

	Army Department	*Navy Department*	*Total*
Regular allotments	Yen. 18,099,000	16,147,000	34,246,000
Special allotments	96,546,000	109,187,000	205,733,000
Total	Yen.114,645,000	125,334,000	239,979,000

The above stated armament expansion expenses which are outwardly of a temporary nature, consist of a portion of Yen 34,246,000 under regular allotments. In many instances, however, when the special allotments are expended, current funds are requested. For example, the allowances for building of warships, which will be discussed later on, mark the beginning of the Second Plan of consolidating the Japanese Navy. When this plan is executed, allowances for maintenance of the additional warships will be required. The same is true with aviation equipment. Aside from these, the total of (a) and (b) combined amounts to Yen 812,000,000 for the period of about two years from September 18, 1931 to the end of the present year. This huge sum has been raised chiefly through public loans. If the new appropriations requested for 1934 are also considered, the aggregate will be about Yen 1,600,000,000.

(c) *1934 New Requests*: The new requests for military appropriations for next year are now being considered by the Ministry of Finance, and the outcome is not ascertainable at present. The new appropriations as requested by the Ministries of Army and Navy are as follows:

ARMY — Basic estimates	Yen.216,000,000		
New requests	196,000,000		
Special allowances in connection with Manchurian affair	150,000,000		
Total		Yen.	562,000,000
NAVY — Basic estimates	Yen.250,000,000		
New requests	430,000,000		
Total		Yen.	680,000,000
GRAND TOTAL		Yen.	1,242,000,000
Capitalization:			
Basic estimates	Yen. 466,000,000		
New requests	Yen. 776,000,000		
Total	Yen.1,242,000,000		

From the above statements, the extent of Japan's military expenses for the period from September 18, 1931 to 1934 may be noted. Besides the figures already mentioned, there are naturally other expenses incurred by public and private interests in connection with the Manchurian situation, though exact figures of such expenses cannot be obtained for obvious reasons. In general, all of the funds are raised through public loans which will, eventually, become a lasting burden upon the Japanese people. The military expenses to be incurred after 1935 are not discussed here.

In addition to the military loans, there are also numerous other public and private loans. These combined are causing much apprehension to Japan's financial circles. They are, for example, the loans to make up deficits in national revenues since 1932 (Yen 350,890,000 in 1932 and Yen 683,300,000 in 1933); for depression relief measures (Yen 629,000,000 during 1932 and 1933); to promote government enterprises and undertakings which are resources of national income, and for losses resulting from exchange (Yen 90,000,000 during 1933). According to the original estimates for the current year, public and private loans raised in this connection amount to Yen 949,000,000. When new loans and overdrafts under "special accounting" are also included, the aggregate of public and private debts incurred during the year reaches Yen 1,064,830,000 (of which Yen 1,041,000,000 being public loans and Yen 23,000,000 private loans).

The amount of military loans—Yen 439,900,000—represents 42 per cent of the aggregate of the Japanese government's public and private indebtedness. All of the loans which constitute a major portion of national revenues, have been raised almost entirely through Japanese banks. Whatever may be its process, the circulation of these loans is limited to the domestic market. Competition is very keen between military and non-military loans; hence it will possibly lead to grave consequences.

(To be continued)

Kailan Mines Affected by Business Depression

As a result of the recent military operations and bandit activities in the Luantung areas, the business of the Kailan Coal Mines has registered an unprecedented drop. Recently the Company ordered a rigid retrenchment in the administration and as a result several hundred miners were discharged and a five-day was adopted. A few days later the Company announced that a four-day week should be adopted, instead of five, to reduce expenses. The workers are protesting against the new arrangement vigorously and a strike is feared.

Chinese Post Office Shows Deficit of Five Million Dollars

The Chinese postal administration announces that the total receipts last year from the postal service were $33,000,000, whereas the expenditure totalled $38,000,000, leaving a deficit of five million dollars. The Japanese occupation of Manchuria; banditry, flood and famine in the provinces; depreciation in the value of coppers in the south-western provinces; and the loss in handling oversea mails, are given as reasons for the deficit.

Chinese Students Shift to Europe in Preference to the United States

BY ARTHUR A. YOUNG

WHERE Chinese students born abroad once represented China at the major student centers in Europe, this will no longer be true. Students from China proper are making European centers of learning their educational camping ground in larger numbers. Latest reports indicate that there will be a larger student migration from China proper to Europe this Fall, while there will be a continued decrease in the Chinese student enrollment in the United States.

Ostensibly, this is a direct result of the recent League of Nations' report on Chinese education. That report challenged the modelling of Chinese schools along American lines and advised the sending of Chinese students to Europe. It was written by Professors Carl H. Becker of Berlin, M. Falski of Warsaw, P. Langevin of Paris, and R. H. Tawney of London.

In recent years students from China have been noticeably migrating towards Europe in preference to the United States. This was indicated in data recently submitted before the China International Student Service Conference held at University College, Oxford. Formerly, the United States through its Boxer Indemnity Fund dominated Chinese student migration. In late years, England, Belgium, France, Germany have either remitted their Boxer Funds or extended unusual privileges to Chinese students.

Outside of Russia, where there are about 2,000 Chinese students, there are about 700 Chinese students in France, 470 in Germany, 247 in Belgium, 171 in Holland, 400 in Great Britain and 30 in Austria.

The fact that Chinese students from China proper are turning Europewards is significant in the annals of Chinese student migration. It marks the turning point in a new era of Chinese-European relationships. It gives point to Europe's post-war bid towards the Far East as evidenced by the increasing number of clubs, unions and associations devoted to a study of Chinese culture and the promotion of Sino-European friendships.

The Depression Has Its Effect

When the United States remitted her Boxer Fund that inaugurated the pilgrimage of thousands of Chinese students to American shores yearly, there began a new period of Sino-American friendship. Students from China poured into the United States to drink at her scholastic founts. This relationship continued for almost two decades. Returned students from the United States became prominent in Chinese affairs. They boosted America. Then came the 1924 Immigration Act that tightened the lid for entering Chinese students. Some American factories, despite urgings, were reluctant to admit Chinese students for practical training. Then came the depression and the impossibility of working one's way. These had adverse effects.

Indicative of Europe's renewed interest in China is the Universities' China Committee founded six years ago. It was endowed a year ago by joint action of the Chinese and British governments with a capital grant of 200,000 pounds sterling from the indemnity fund. It promotes closer cultural relations and mutual understanding between China and Great Britain.

Its most recent effort is the opening of China House in London eight months ago. This House has became the meeting place for Chinese students and friends of China. It is headquarters for a number of Chinese organizations: London Chinese Association, China Society, Chinese Students' Christian Union, London Chinese Students' Union, Central Union of Chinese Students in Great Britain, Adviser to Chinese Students, Universities' China Committee.

As Chinese students in Europe increase while those in the United States decline, it is world noting one important characteristic. Those in Europe are largely undergraduate students; in the United States, the majority, at least 75 per cent, are today doing graduate work or research. Oxford is the only European center that draws mature Chinese students. For instance, the new general secretary of the Shanghai Y.M.C.A. has been enrolled at Oxford for the past year; T. Z. Koo, well-known Chinese lecturer, has also done graduate work there.

Chinese students in the United States originate from homes largely in China, coming from all parts of the country but largely from the Peiping area, Shanghai, Nanking, and Canton. Those in Europe originate in a large degree from homes outside China.

This fact is especially true of students in Great Britain and Holland. In England, for instance, more than half of the Chinese students are either from Malaya or the British West Indies. In Holland, they come from the Dutch East Indies almost exclusively, descendants of families who emigrated three and four generations ago from the Chinese provinces of Fukien, Kwangtung and Shantung. They all speak Dutch like natives.

Another characteristic of Chinese students in Europe is that they largely pursue the professions. At Edinburgh, for instance, thirty Chinese students out of a total of fifty-five in the University, are enrolled in the medical faculty. The overseas Chinese-borns invariably go in for law, medicine, dentistry. They seldom specialize in arts and science courses as political science, economics, education, which are taken up mainly by students from China proper. The overseas Chinese come from families well-known in the colonies and are amply provided for as compared with those from China. Many have distinguished themselves as scholars and sportsmen.

Within the last two years Chinese students in Europe have gone in for military and naval courses. The new note was struck when P. S. Yen, son of Dr. W. W. Yen, Chinese ambassador to Moscow, decided on a military career. He has been doing preparatory work at Leys school, Cambridge, prior to his enrollment at West Point. In Austria, the majority of Chinese students are studying police work or military training. Eleven Chinese students are enrolled at the Police College at Vienna.

Chinese girls have not yet moved to Europe in large numbers. While there are about 200 Chinese girls studying in the United States, there are not more than 75 in Europe. These are largely scattered in Great Britain, France and Belgium. Europe provides no scholarships as the Barbour scholarships for Oriental Women at the University of Michigan. Nor have colleges in Europe offered inducements to Chinese girls as do the denominational colleges in the United States.

In nine cases out of ten, students on the Continent are from non-Christian educational institutions in China; the opposite is true of the United States. Consequently, their attitude towards religion is indifference, if not hostility. The exception is Belgium, where it is said that during the last eight years 400 Chinese students have been converted to Christianity. It is very remarkable, for during these years the anti-Christian movement in China was most active. In Great Britain, there is the Chinese Students' Christian Union, a pioneer student body which has done distinguished work among the Chinese in East London. It recently saw its efforts fructify in the Chung Hwa Club which is devoted to the uplift of celestials in East London.

New York, Oct. 20, 1933.

Japanese Cotton Trade Improves—Chinese Merchants Protest

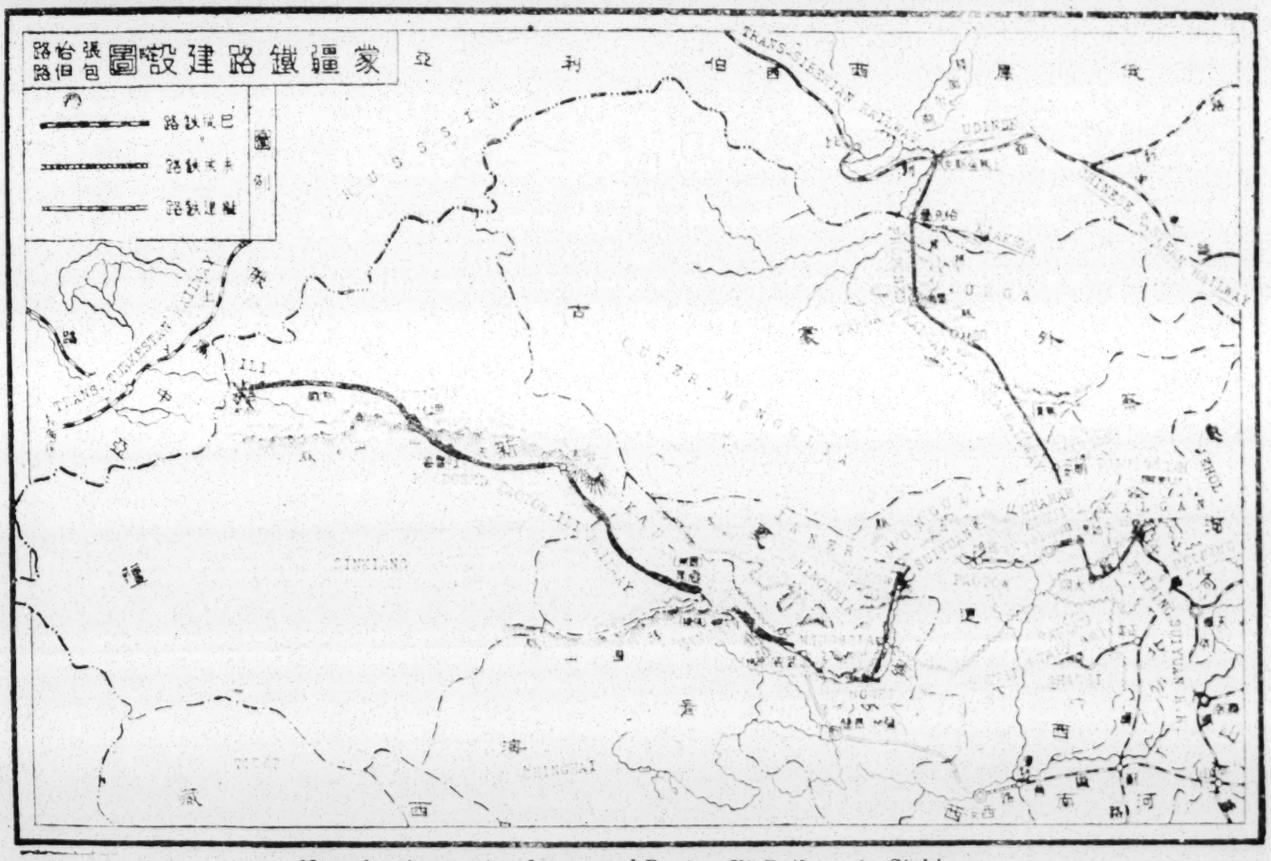
According to Osaka newspapers, Japanese shipments to Shanghai have greatly increased of late, every vessel of the Nippon Yusen Kaisha carrying more than 2,000 tons of cargo, whereas the loadings were below 1,000 tons when the trade was affected by the anti-Japanese boycott. The exports from Japan, particularly from Osaka, have been steadily increasing for the past three months. The *China Times* states that the Chinese cotton piece-goods trade in Shanghai has suffered a serious blow as a result of the dumping of Japanese cloth on the local market. It is claimed that large proportion these Japanese products are sent to China via Dairen and are being sold at the very low price of twenty cents a yard, whereas Chinese products cost forty-five cents a yard. As a result, Japanese products are finding a good market in Shanghai while most of the Chinese native-clothes have no sale. The Chinese merchants dealing in native cloth are now appealing to the authorities for relief.

The Future Trend of Sino-Russian Relations---Will They Be Cordial?

BY C. Y. W. MENG (孟長泳)

THROUGH the Yen-Litvinoff Agreement, Sino-Russian diplomatic relations were restored a short time ago. Whether, during the present critical moment in the Far East, such restoration has any political or economic usefulness or significance, or is only the necessary ordinary procedure between states in comformity with the well established principles of international law, no one can say definitely at present. So it is with the American-Russian restoration of diplomatic relations—now under negotiation. No one could tell what motive President Roosevelt has in breaking down the traditional policy of the past Administrations in sending a note to Soveit Russia proposing the negotiations; whether such gesture is taken in order to cope with the serious situation in the Far East, which at last necessitates the shaking of hands by the Almighty Dollar with the Northern Bear; or is merely on account of internal economic problems which demand the restoration, so that more American idle capital may flow to Soviet Russia, and more American surplus goods can be sold in Russian markets. Whether the restoration is fuller of meaning than usual, no one can say at present, but much can be said to show that it is up to the Chinese to make it, and possibly to decide it. The present Manchurian situation, created by the forcible occupation by the Japanese forces, which now has destroyed the "balance of power in the Far East," which was obtained through many years of efforts by American statesmen, is now in the hands of America, Russia and China. It all depends upon how these world powers handle the situation. It is needless for us to point out the fact that the breakdown of diplomatic relations between China and Russia, and the lack of diplomatic intercourse between America and Russia, certainly has done much towards giving an opportunity to the Japanese to take military action in Manchuria and in encouraging the Japanese to be more aggressive in their action and policy. If these powers were further to sit on the fence and take no substantial action on the ground that they are too busy with internal affairs; and China, on her part, adopts a laissez-faire policy in Manchuria on the ground that the suppression of communists and bandits within China Proper is far more urgent than the restoration of the lost territory, Manchuria is sure to slip away from China forever. After years of intensive development, whereby the Japanese would make use of all the natural resources of the newly acquired land, Japan would become the strongest power in the world; then Japan would not only control China, but would also dominate the whole of Asia. By that time, if the western powers want to challenge the Island Empire, they would find the Island Empire almost invincible. All their Pacific possessions would be in the hands of Japan!

But if these powers would quickly re-adjust their own relations, by their concerted action they could do much toward the eventual settlement of the present Manchurian situation. Therefore, while it is correct to say that it is up to China to make and to decide the usefulness and importance of the Sino-Russian assumption of diplomatic relations, it is also correct to say that it is up to these powers to decide whether they want to end the present trouble once for all, or whether they would leave cause for world conflict in the near future.



Map showing route of proposed Paotow-Ili Railway in Sinkiang

The restoration of diplomatic relations between China and Russia, and between America and Russia, may appear to be just one of the ordinary procedures in conformity with established principles of international law, but the question is: Should the Chinese, in view of the present critical situation in the Far East, take steps to make this diplomatic gesture more than an ordinary diplomatic affair, and make it useful and meaningful? It is our opinion that Sino-Russian diplomatic relations should have been restored long ago, and that China should play a great part in influencing and causing the early resumption of diplomatic relations between America and Russia; thus this "triple" could easily reach some sort of Sino-Russo-American common understanding regarding the present Manchuria situation and the imperialistic actions and policy of the Islanders.

At present, the Sino-Russian diplomatic relations have been restored. But many months have passed, yet the signing of the formal Sino-Russian Commercial Treaty is not yet at the signing stage. If there is much further delay, both Nanking and Moscow will realize their short-sightedness, and will have to admit that they intend to make the restoration merely as an ordinary affair; then no political nor economic achievements could be gained by any of the parties.

If we should care to study the commercial history of these two countries, we would realize the importance as well as the great advantage of putting our commercial relations in proper order. Both during the former and present regimes, the Sino-Russian trade is very flourishing; the balance of trade is always "favorable" to China. Many observers who return to China tell us that the Russian need for Chinese materials and products is by no means lessened.

The following table will show the foreign trade between Soviet Russia and her neighboring countries, and will tell us explicitly the importance of better trade relation between China and Russia:

Countries	1930	1931	1932
Persia	104,000,000*	78,900,000	52,800,000
Mongolia	37,000,000	66,100,000	60,000,000
Japan	32,900,000	32,400,000	14,800,000
Singkiang (Chinese Turkestan)	32,000,000	24,100,000	20,000,000
Egypt	27,400,000	23,000,000	7,000,000
Turkey	27,500,000	19,000,000	11,000,000
China Proper	20,000,000	17,000,000	13,000,000

*In Rubles (Russian money) calculated according to their value prevailing in 1926.

A glance at the table will reveal to us that the amount of trade between China (including China Proper, Mongolia and Singkiang) and Russia is the greatest of all between Russia and her neighboring countries, and that as soon as the Sino-Russian political situation is settled, the Sino-Russian trade at once flourishes.

The following table will show the exportation of Chinese and Japanese tea to Russia:

Countries	1930	1931
From China	6,208,000 lbs.	5,438,000 lbs.
" Japan	1,594,000	3,050,000

The total foreign tea trade with Russia, according to reliable statistics, is 12,632,000 lbs. That is to say, the Chinese tea—which is the bulk of Chinese exports to Russia—almost occupies half of the total. China was leading in the foreign tea trade with Russia, and China is still leading, and China will possibly lead in this trade for many years to come, if the present Sino-Russian commercial relations are improved. It is true that Russia is taking steps to plant tea herself, which is part of her 5-Year Industrial Plan, but it will take many years of cultivation before fruition; and when the production is increased, the consumption is bound to increase as well.

In other words, Russia is a good market for Chinese products, and China is a good market for Russia products; and when the Sino-Russian trade is properly regulated and developed, it will surely be something of mutual benefit.

Construction of Sino-Russian Border Railways Urged

Observers returning from Russia always express their great disappointment that China and Russia, with a boundary coterminous for over four thousand miles from the Pamirs in Turkestan to Vladivostok on the Sea of Japan, are without any modern communications. So they urge the construction of (1) Kiakhta 恰克圖 Kalgan 張家口 Railway which would traverse Suiyuan Province, Barga the capital city of Outer Mongolia, to join with the Siberian Railway by the completion of Kiakhta-Ulinsk Railway (for details of this proposal, see map); and (2) Paotou 包頭 Ili 伊犁 Railway, which would traverse Linghsia, Kansu, and Singkiang (Chinese Turkestan) provinces, to join, if further extended, the Trans-Turks Railway.

(1) The Kiakhta-Kalgan Railway: The construction of this railway was first proposed in the 32nd Year of Emperor Kwangsu in the Manchu Regime, but the imperial remarks were that the proposal be laid on the table until the completion of construction of Peiping-Kalgan Railway. In the Second Year of Emperor Hsuan-Tung, one Mongolian prince again petitioned the imperial throne to build "two long crosswise and lengthwise railways in Mongolia" connecting Barga with the former capital. In the 17th Year of the Republic, some actual survey work between Kalgan and Donnor was carried out by order of the Ministry of Communications. But nothing went further than that.

Barga is the political center of Outer Mongolia, and Kiakhta is the Sino-Russian market place. But due to lack of means of communications, it is extremely difficult to get to these places. The construction of the Kiakhta-Kalgan Railway not only has much to do with the national defence and reclamation works, but also greatly shortens the route between Asia and Europe, and also greatly diminishes the importance and usefulness of the C.E.R. and S.M.R. The construction of this line is made more imperative in view of the occupation of Manchuria by Japan. Japan has already declared a blockade of the C.E.R. In the event the sea route is also, cut off, the only route from Russia to China, or vice versa, will be the long route through Europe.

We do not believe there would be any difficulty in getting the consent of Russia when we intend to extend the Kiakhta Kalgan Railway to Udinsk, in view of the fact that the Russians have long been anxious to build a railway connecting with Barga, thus facilitating the transportation of Russian goods to the Chinese markets. Such proposal, doubtless, will meet with the hearty approval of Soviet Russia; and such proposal, doubtless, will have the hearty support of the Mongolian Princes of the younger generation.

(2) Paotou-Ili Railway: From Paotou in Suiyuan Province in Sinkiang, it is about 7,412 li, or about 2,656 miles. This Railway will traverse three provinces to bring into contact with the extreme western border of China; thus it will not only greatly shorten the Asia-European overland route, but it will also greatly facilitate the development of China's North-West, which is generally considered as China's "Great Future." It is not necessary for us to add here that the construction of the line will also greatly facilitate the development of the natural resources and agricultural products which are plentiful in these places along both sides of the line.

The raising of capital may be an obstacle, but it is by no means insurmountable. It is suggested that the whole line may be divided into different sections, and that the completion of the line may be done section by section. We may experience hardship in getting capital at the beginning, but as soon as one section of the line is constructed, and its usefulness and profitableness are shown, difficulty in getting capital to complete the other sections will be lessened.

With the exception of a portion of the Udinsk-Kalgan Railway, which passes Russian territory, all the other sections of both lines are within Chinese territory. China should start the construction without hesitation. Unless these steps are taken, the restoration could not and would not improve the present relations, nor work to the mutual benefit, of the two countries concerned.

Nanking November 3, 1933.

Indo-Japanese Trade Parleys Take on Brighter Aspect

The Indo-Japanese trade parleys at Delhi have taken on a somewhat brigther aspect as the result of an interview which took place between Setsuzo Sawada, chief Japanese delegate, and Sir Joseph Bhore, chief Indian delegate, Nov. 4, when the former, acting on instructions from the Tokyo Government, presented a compromise plan, whereby Japan is ready to agree to the Indian figures in the import quota for Japanese cotton goods, namely 400,000,000 square yards on condition that India consents to several technical arrangements regarding the proposed barter system.

The anti-British campaign, precipitated in April by the announcement that the Indian Government had decided to abrogate the Indo-Japanese Trade Convention in October, has cooled off to a large extent during the past month or two.

The Burmese woman doctor, Mme. Dawsawsa, is among the 12 representatives of various interests in Burma who will visit London next month to consult on the future Constitution of Burma. The question of whether Burma should be separated from India has not yet been decided.

Japanese to Grow Cotton in Abyssinia—Italians Disturbed

Italian opinion is much disturbed by the intention of Abyssinia to concede to Japan a thousand acres for cotton cultivation and probably further land for other enterprises. Italians anticipate this to be the thin end of the wedge to Abyssinia becoming an outlet for Japan's surplus population. Other messages stated that what the Japanese really intend to grow is opium.

The Saga of Sino-Japanese Hate---An Historical Summary

BY VERNE DYSON

IN more than twenty centuries of intermittent commercial and diplomatic intercourse, China and Japan, neighbors, racial near relatives, and the two principal nations of Pacific Asia, have not learned to live together in peace. Despite their ties of Mongolian blood and common cultural interests, the yellow man and his brown brother, have fought six wars against each other: (1) A. D. 670 in Korea, (2) 1275, 1281, the Mongol invasions of Japan, (3) 1592-1598 in Korea, (4) 1894-1895 in Korea and Manchuria, (5) 1931-1932 in Manchuria, (6) and 1932 at Shanghai.

What is the cause of the age-old hatred between China and Japan? Who is to blame? These questions arise in the minds of Western people with each recurrence of Sino-Japanese discord.

In considering questions of conduct, the element of age must be recognized. China's civilization is more than two thousand years older than that of Japan.

The whole course of the relations between China and Japan may be divided into four periods:

1. From about 500 B.C. to the time of Christ when the accounts of either country in the annals of the other were manifestly mythical or semi-legendary.

2. The age of friendly intercourse during which Japan was eagerly imbibing Chinese culture, beginning approximately with the Christian era and continuing to A. D. 1275, when Kublai Khan, the Mongol ruler of China, made the first of two naval attacks upon the Sunrise Empire.

3. The era of increasing Japanese antagonism toward China, characterized at first by the frequent raids of Japanese pirates upon the coast of China, and later by more direct methods of attacks, from 1275 to 1894, when the ancient hatreds between the two countries culminated in a war favorable to Japan.

4. The epoch of marked Japanese instrusions into the political affairs and the national domain of China, from the close of the Sino-Japanese war in 1895 to the military conflicts in Manchuria, at Shanghai and in North China, 1931-1933.

The Royal House of Wu

When the feudal kingdom of Wu, whose territory comprised modern Kiangsu Province and the Shanghai region, was overthrown by the armies of Yueh, the "Boat Kingdom," in 473 B.C., the surviving members of the royal house of Wu fled in war chariots to the sea, hurriedly boarded a royal junk, and sailed away. They went, according to tradition, to Japan where their jewels, royal robes, and other unmistakable evidences of refinement and aristocracy caused them to be given a friendly reception, and to win the admiration of the semi-civilized inhabitants of that country. Undoubtedly fishermen, sea rovers, and other individuals of the lower classes in the Middle Kingdom had, from time to time through previous centuries, reached Japan, but the exiles from Wu are thought to have been the first cultured Chinese to enter Nippon.

In the century or two following the downfall of Wu state, Japan began to appear in Chinese literature as a group of enchanting islands far out in the Eastern Sea. Gradually, this pleasing myth developed into actual knowledge of the Sunrise Empire.

The desire of an ambitious Chinese Emperor to find the elixir of immortality led to China's discovery of Japan. There are contemporary chronicles of this significant event in the written records of both countries. While Emperor Shih Huang-ti (259-210 B.C.) the Son of Heaven who inaugurated a new epoch in Chinese history by overthrowing the feudal system which had existed from the earliest times and uniting the various contending states into one empire, was on a triumphal tour through his domains in 220 B.C., he met a celebrated magician Hsu Shih in the present region of Shantung Province who informed him that the elixir of immortality which the monarch so earnestly sought was to be found in the Fortunate Islands (Japan). The idea of death and dissolution was exceptionally repugnant to the August Emperor. So the vain monarch gladly accepted Hsu Shih's offer to go in quest of the magic draught. With generous funds supplied from the imperial treasury, the magician formed an expedition to visit the sun-rise lands; in that same year he set sail for the Fortunate Islands with two lavishly equipped junks, carrying a company of three hundred youths and an equal number of maidens, and discovered Japan.

Apparently the arrival of the Chinese was regarded by the Japanese as an event of major importance: since a temple was built at Khumano Kinnokuni to mark the spot where Hsu Shih landed, and to commemorate the sojourn of the six hundred visitors from the Middle Kingdom who had brought with them "good manners, and useful arts and sciences."

Japan's ardent absorption of Chinese culture, beginning at the opening of the Christian era, lasted for about one thousand years, during which time the younger country treated the elder with respect, observing the proprieties commonly maintained between pupil and teacher. It was in this millenium that Japanese civilization was formed—a dainty miniature of Chinese civilization.

With pronounced persistence, Japan sent envoys to the Dragon Court in A. D. 56, 107, 284, 413, 461, and 607. True to her age-long policy of aloofness and seclusion, China at first looked with suspicion, or at least with indifference, upon the friendly advances of Japan. Although China, in time, came to regard the efforts of the Nipponese with benevolent tolerance, embassies from the Middle Kingdom to Japan were much less frequent than those from the other direction.

Early in the period in which China was the tutor of Japan, the latter invaded Korea, a country that was destined to play a conspicuous part in China-Japanese relations in later centuries. Dressed in male attire, the Empress Jingu of Japan conducted a military expedition to the "Land of the Morning Calm" in A.D. 200. For her transports it was a voyage of only a few days from the Japanese island of Kyushu to the long peninsula of Korea, jutting out from the Asiatic mainland and forming a natural and easy pass-way between Japan and the continent. The warrior-queen was victorious and received from the King of Shima, one of the Korean states, a tribute of "eighty ships filled with gold, silver, and silk."

Japanese in Korea Long Ago

The presence of the Japanese in Korea was displeasing to the Chinese and finally, after the passing of five centuries, led to the first of three wars fought between China and Japan in Korea—earliest struggle, that of 670, China won; the war of 1592-1598 was a draw; while that of 1894-1895 was a decisive victory for Japan. Here we have disclosed a progressive shifting of preponderant military strength from the older to the younger and much smaller country.

Not in Korea, however, was Sino-Japanese hate born; it grew out of Kublai Khan's unwarranted invasions of Japan, events which, since Kublai was an alien ruler in China, should not have been charged against the Chinese.

After the fabulously rich empire of China and much of the rest of Asia had come under the domination of the Mongols, the mighty Kublai Khan became increasingly irritated at the absolute silence of the Japanese and the non-recognition of his power by their Mikado. After demands ordering the Japanese to recognize his authority had been insolently ignored, Kublai determined to invade the Sunrise Empire with the largest fleet that had ever been assembled in the great Pacifice Ocean.

In June, 1275, 25,000 Mongol soldiers, commanded by three famous generals, assembled on the southeastern coast of Korea, for the invasion of Japan. To this contingent were added 15,000 Koreans. The allied army of 40,000 embarked from the Korean seaport of Happo in a flotilla of 900 war junks, sailing toward the Japanese islands of Tsushima and Iki. It was October 3, 1275. Two days later, "the enormous fleet came in swarms toward a big bay of Tsushima called Sasu-no-Ura, where, covering the wide sphere of the water so thickly that the horizon could no longer be seen from the land, they cast anchor all at once."

Valiant Japanese knights fought all day against the over-whelming forces of the invaders, but it was impos-

CHINESE GOVERNMENT RAILWAYS

SHANGHAI-NANKING-PEIPING THROUGH EXPRESS.

TIME ARR.	TIME DEPT.	STATIONS	TIME ARR.	TIME DEPT.
15.05	—	PUKOW	—	11.00
11.14	11.17	LINHUAIKWAN	15.16	15.18
10.19	10.39	PENGPU	15.53	16.13
8.09	8.12	NANHSUCHOW	18.20	18.23
6.00	6.20	HSUCHOWFU	20.12	20.32
4.13	4.28	LINCHENG	22.21	22.35
3.24	3.27	TENGHSIEN	23.32	23.35
1.42	2.02	YENCHOWFU	1.15	1.47
1.14	1.17	CHUFOU	2.14	2.17
23.10	23.30	TAIANFU	4.18	4.33
20.50	21.10	TSINANFU	7.00	7.30
19.22	19.32	YUCHENGHSIEN	8.43	8.53
17.32	17.52	TECHOW	10.17	10.37
15.33	15.48	POTOUCHEN	12.15	12.30
14.24	14.39	TSANCHOW	13.21	13.36
11.10	11.20	TIENTSIN (C)	16.35	16.50
10.00	10.35	TIENTSIN (E)	17.00	17.35
—	7.15	PEIPING	20.48	—

PEIPING-HANKOW RAILWAY.

7.37	—	PEIPING	20.35	—
6.42	7.02	CHANGSINTIEN	21.30	21.10
2.57	3.17	PAOTUNG	1.15	00.55
22.16	22.56	SHIHCHIACHWANG	5.57	6.17
18.03	18.23	SHUNTEH	10.11	9.51
10.16	10.36	SINSIANG	17.45	17.25
7.09	7.39	CHENGCHOW	20.46	20.16
4.14	4.34	HSUCHOW	23.44	23.24
2.18	2.38	YENCHENG	1.45	1.25
23.07	23.47	CHUMATIEN	4.53	4.13
19.14	19.34	SINYANG	8.58	8.38
15.46	16.06	KWANGSHUI	12.25	12.05
10.32	10.37	KIANG AN	17.42	17.57
—	10.20	HANKOW (Tachimen)	—	17.54

PEIPING-SUIYUAN RAILWAY.

TIME ARR.	TIME DEPT.	STATIONS	TIME ARR.	TIME DEPT.
15.30	—	HSICHIMEN	12.01	—
13.47	14.07	NANKOW	13.48	13.28
12.24	12.34	CHINGLUNG-CHIAO	15.18	15.08
6.10	6.40	KALGAN	21.12	20.52
22.49	23.19	TATUNG	4.04	3.44
18.29	18.49	PINGTICHUEN	8.00	7.45
12.50	13.10	SUIYUAN	13.30	13.00
—	8.25	PAOTAO	—	18.00

LUNGHAI RAILWAY.

5.15	—	HSUCHOWFU	—	21.10
0.57	1.17	SHANKIUHSIEN	1.16	1.56
20.47	21.07	KAIFENG	6.20	7.00
18.40	19.00	CHENGCHOW	8.49	9.09
14.45	15.10	LOYANG E.	12.53	13.23
9.30	9.55	SHANCHOW	18.30	18.55
—	6.10	TUNGKWAN	22.15	—

KIAOTSI RAILWAY.

7.35	—	TSINGTAO	—	21.00
5.48	5.50	KIAOCHOW	22.46	22.48
5.01	5.16	KAOMI	23.19	23.30
3.15	3.36	FENGTZU	1.01	1.16
2.48	2.54	WEIHSIEN	1.36	1.39
1.36	1.38	TSINGCHOW	2.55	2.57
23.59	0.01	CHOUTSUN	4.32	4.35
—	22.00	TSINANFU	6.30	—

CHENGTAI RAILWAY.

19.42	—	SHIHCHIACHWANG	7.58	—
18.14	18.16	TSINGCHINGHSIEN	9.29	9.27
16.00	16.15	YANGCHUAN	12.01	11.47
14.48	14.50	SHOUYANGHSIEN	13.52	13.50
12.40	12.49	YUCHIHSIEN	15.35	15.25
—	12.08	TAIYUANFU	—	16.07

SHANGHAI-HANGCHOW-NINGPO RAILWAY.

STATIONS UP.		Express R. Through	Express R.	STATIONS DOWN.		Express R.	Through Express R.
ZAHKOU	d.	9.20	18.00	SHANGHAI, N.	d.	9.15	15.15
HANGCHOW	d.	9.50	18.25	JESSFIELD	d.	9.33	15.32
CHANGAN	d.	10.41	19.24	SICCAWEI	d.	—	—
YEHZAH	d.	—	19.56	SHANGHAI, S.	d.	9.25	—
KASHING	d.	11.52	20.39	SUNGKIANG	d.	10.33	16.20
KASHAI	d.	—	21.05	FUNGCHING	d.	—	—
FUNGCHING	d.	—	—	KASHAI	d.	11.19	—
SUNGKIANG	d.	13.00	21.54	KASHING	d.	11.53	17.35
SHANGHAI, S.	a.	—	23.00	YEHZAH	d.	12.29	—
SICCAWEI	d.	—	—	CHANGAN	d.	13.02	18.40
JESSFIELD	d.	13.46	22.50	HANGCHOW	d.	13.57	19.35
SHANGHAI, N.	a.	14.00	23.05	ZAHKOU	a.	14.15	19.50

NANKING-SHANGHAI LINE.

STATIONS UP		EXP. R.	THRO. EXP. Zku-Nkg R.	Night EXP. R.	Night Express R. S.	STATIONS DOWN		Thro EXP. R. Nkg-Zku.	D.T. EXP. R.	Night EXP. R. S.
SHANGHAI, N.	d.	8.00	15.00	23.00	24.00	NANKING	d.	8.00	17.25	23.00
NANSIANG	d.	—	—	23.37	—	CHINKIANG	d.	9.25	18.52	1.04
KUNSHAN	d.	9.05	16.05	1.16	—	TANYANG	d.	10.07	19.32	1.56
SOOCHOW	d.	9.50	16.52	2.17	2.06	CHANGCHOW	d.	11.01	20.32	3.11
WUSIH	d.	10.39	17.44	3.19	3.06	WUSIH	d.	11.52	21.24	4.15
CHANGCHOW	d.	11.44	18.39	4.22	4.17	SOOCHOW	d.	12.45	22.20	5.21
TANYANG	d.	12.32	19.34	5.13	5.20	KUNSHAN	d.	13.24	—	—
CHINKIANG	d.	13.16	20.29	—	6.10	NANSIANG	d.	—	—	7.04
NANKING	a.	14.30	21.35	7.00	7.45	SHANGHAI, N.	a.	14.20	23.55	8.00

NOTICE

1. Children under four years of age are carried free, children under twelve but above four years of age at half fares and children of twelve years of age and over must pay full fares.
2. For Local and Through Traffic, the following free baggage allowances will be granted to each passenger:—

   1st class passenger ..... 80 kilogrammes (142 catties)
   2nd class passenger ..... 60 Kilogrammes (100.5 catties)
   3rd class passenger ..... 40 Kilogrammes (67 catties)

   Half of these quantities will be allowed on each child's half ticket of each class respectively.
3. Any weight of baggage in excess of the free allowance will be charged at the rate for the minimum quantity of 20 kilogrammes (33.5 catties) of $0.002 per kilometre per unit of 20 kilogrammes.
4. In case of any holder of Local or Through ticket who abandons his journey en route and desires a refund on the unused portion of his ticket he must apply in person, and produce his ticket for endorsement to the Station Master where the journey is abandoned. Application for refunds must be made as soon as possible after endorsement and must in any case be made within TEN DAYS of the date of expiry of the availability of the ticket which has been endorsed.

sible to check them. In the evening, the Mongols returned to their ships with more than a thousand Japanese heads. Not less than 6,000 of the Islanders had been killed.

Leaving soldiers to garrison Tsushima, and ships to maintain a blockade of its ports, the invaders sailed southward to make an attack upon the small island of Iki, less than 50 miles distant.

Crossing the channel with a fair wind, the Great Mongol armada came within sight of the sentinels on the hills of Iki early in the morning of October 14, 1275. As at Tsushima, the Mongol and Korean forces swarmed the shore. The inhabitants were defeated and slaughtered in appalling numbers in the first day of battle, as the invaders advanced from the seashore to the interior. After completing the devastation of the island, the Mongols stripped their Japanese captives of their clothing, nailed them by their palms along the prows of the war junks, sailing then toward the large island of Kyushu.

The picture of the helpless and bleeding Japanese prisoners of war dangling by their hands from the prows of Mongol ships has been held up to the youth of each succeeding generation in Japan, and this incident, perhaps more than any other in the history of the country, has made the Japanese a nation of fearless and successful soldiers.

A different fate awaited the arrogant Mongol invaders at Kyushu, one of the five large islands of the Empire of Japan. As a protection against an invasion, such as the one that now threatened, the sea-coast for the distance of thirty miles had been strongly fortified. With the approach of the enemy, couriers were sent to all the feudal principalities of Kyushu to summon the *daimios* and their *samurai* to the defense of the northern coast.

The first contingent landed by the Mongol was annihilated by the thick clouds of arrows fired by the Japanese hosts. All day the fighting continued to the disadvantage of the invaders. Twin disasters overtook the Mongol-Korean fleet on the first night of the battle. About midnight a flotilla of fifty Japanese fire-ships, heaped high with dry straw and maneuvered by Japanese in smaller craft unexpectedly descended upon the anchored war-junks of the Asiatics.

Mongols Thrown Into Confusion

After the Japanese, with war cries and an alarming din of drums, had attacked the armada and thrown the Mongols into confusion, the blazing craft, driven by a strong wind, descended upon the helpless "sea castles" of Kublai's fleet.

While the spectacular night battle raged with deafening uproar, lighting the heavens with the glare of the burning junks, an added disaster for the enemy approached unawares. In the midst of the conflict a great tempest arose which, in a few hours, completed the havoc begun by the Japanese. When morning came only two hundred ships of the armada remained afloat; five hundred had been burned or sunk. The surviving vessels hastily sailed away, closely pursued by the Japanese.

Failing to learn a lesson from this disastrous defeat, Kublai Khan undertook the construction of a second and greater armada to invade Japan. These preparations went on while Marco Polo was at his court.

The Yuan, or Mongol dynasty in China dates from 1280. It the time of Kublai's magnificent coronation as Emperor of all China in that year in Kambalu (Peking) his army numbered 107,000—100,000 Chinese and Mongols, and 7,000 Koreans. For the invasion of Japan this force was divided into two sections: "The Army by the Eastern Route," and "The Army by Way of Hunan." The former was directed to proceed to Japan by way of Korea and the other to embark from the mouth of the Yangtsze River.

The immense fleet which had been under construction for three years then numbered 3,500 vessels of which 900 were detailed to convey the eastern army from the Korean peninsula to Japan, while the remaining 2,600 were assigned to transport the southern army, the main body of the expedition. The two divisions of the great armada sailed from the continental shores in the spring of 1281. The eastern squadron which had departed from Korea reached Japan first, immediately conquering and devastating the two islands of Tsushima and Iki, which had been captured and desolated by the first armada. As in the earlier instance, the prows of the war junks were decorated with the bloody corpses of the natives of these islands.

After the arrival of the southern squadron which had been delayed by a series of misfortunes, the united fleet began an attack on the island of Qyushu on June 23, 1281. At the close of the first day of the conflict, the enemy vessels were chained together so as to prevent their being separated in a possible surprise attack by night. In the ensuing days frequent sallies were made by brave Japanese from the shore upon the Mongol ships, and the Japanese annals record many heroic exploits. Each day brought additional Japanese troops to the scene of the impending final struggle.

Now a "divine tempest" saved Japan. On August 14 there suddenly descended upon the armada a typhoon of appaling velocity and resistless force, a storm such as frequently whirls along the coasts of Japan and China in the late summer and early autumn of each year. Before the imposing armada had been able to test its strength in battle, it was almost totally destroyed by the storm. Most of the 70,000 fighters on board went down with the junks, together with nearly 2,000,000 bushels of corn which Kublai had levied in the various states of his vast Empire; "and it all came from a speck of a cloud," a Japanese historian affirms, "in which the mysterious universe had crystallized the heart of justice that spread about the Empire of Japan."

In retaliation for Kublai Khan's invasion and attempted subjugation of their empire, the Japanese inflicted severe and long-enduring punishment upon both the Chinese and the Koreans. "Japan after the Mongol invasion became a land full of war spirit and discontent." That spirit was expressed in fierce piratical raids upon the coast of the mainland, lasting intermittently for about three centuries. "The interval of 261 years—1281 to 1542—that separated the great Mongol invasion of Japan from the establishment of contact between that country and Europe, we find to be the great age of Japanese awakening, an outburst of activity that is well illustrated by the spirit of the Japanese adventurers, counterparts of the Drakes and Hawkinses then prevalent throughout the Occident."

Japan's Answer to the Mongol Threat

The numberless expenditions of bucanneers who, in a spirit of revenge and in a desire for booty, "set off to the high seas and the continental coast," were Japan's answer to the threat of the Mongol, Chinese, and Korean allies. The corsairs' range of operations was vast, extending along the entire coast of Korea and China, on to Indo-China, Siam, the Malay Peninsula, and Java, and including the west coast of Luzon, the northwest coast of Borneo, and the intervening islands of the Philippine Archipelago.

Oriental indifference toward the written treaty—an Occidental political device savoring of war and imperialism—is excellently exemplified in the tardiness with which China entered into signed agreements with her two most ancient neighbors, Korea and Japan. The kingdom of Korea was founded by a Chinese prince in 1122 B. C. Japan's first Emperor is assigned the year 660 B. C. for his coronation. Thus, China's relations with these two countries extended far back into antiquity. Yet, it was late in the nineteenth century before she concluded treaties with them. China was then in her political decline and she entered gloomily and under compulsion into the new relationships with her two neighbors which had so long recognized her cultural and political supremacy.

By the year 1871, when the first Sino-Japanese treaty was signed, the pleasing myth of the "Fortunate Islands" had for the Chinese long been transformed into a hard and cruel reality. Japan had then formed the design of supplanting China in the political and military leadership of Eastern Asia, of humbling her former magnanimous teacher from whom she had derived her crafts, art, language, literature, religion, fairy tales, and folklore—that delightful miniature which, with its added decoration of cherry blossoms, constitutes Japanese civilization.

The Sino-Japanese treaty of 1871 is ridiculously rhetorical, absurdly polite, conspicuously insincere.

Events which followed the war between China and Japan in 1894—1895, such as the latter's entrance into Manchuria and the "Twenty-One Demands," did more to intensify the hatred between the two countries than the war itself which was a conflict between Japan and the decadent alien Manchu Dynasty rather than one between the Japanese and the Chinese.

Japan failed to gain an entrance into Manchuria through her victory over China in 1894—1895; instead

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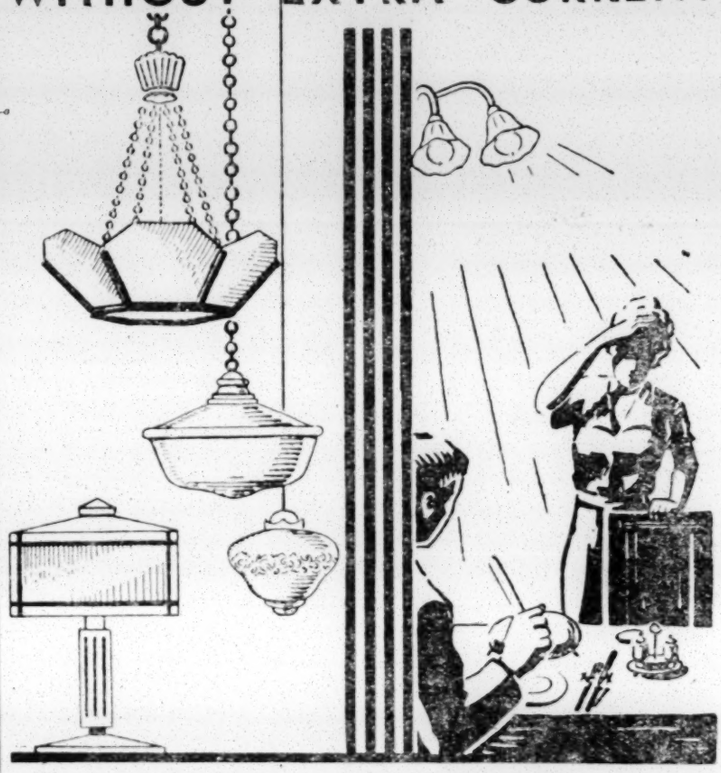

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she had to bide her time for a full decade, or until another victory in war—this time over Russia, the largest Western nation—enabled her to invade the "Promised Land" upon which the covetous eyes of her statesmen had been secretly fixed, no doubt, for many years prior to the Sino-Japanese conflict. The retrocession of the Liaotung Peninsula to China through the intercession of Russia, France, and Germany—powerful European governments—was a bitter disappointment to Japanese statesmen. When China, only three years later (1898), leased this same peninsula—the ancient "Regent's Sword"—to Russia, war between the latter country and Japan became inevitable.

With her eyes upon Russia, then advancing threateningly into Manchuria and Korea at the gates of her empire, Japan's aggressions toward China softened noticeably. In the ten-year period between the Sino-Japanese and the Russo-Japanese Wars, China had little reason to complain of the behavior of Japan, except for that country's participation with other powers in the reprisals and indemnities imposed as a result of the Boxer rising of 1900. There is in this decade an absence of the irritating and war-provoking "incidents" which subsequently became conspicuous in Sino-Japanese relations.

In the World War, China was not given the privilege of expelling the Germans from the colony which they had obtained by force within her territory (1897), but that enterprise was turned over to the Japanese. With the assistance of a small British contingent, the Japanese laid siege to Tsingtau on October 31, 1914, and in six weeks captured the forts (November 16), taking five thousand prisoners. In landing troops on the coast of Shantung and marching overland to Tsingtau, the Japanese, so the Chinese charge, violated the neutrality of China.

As an isolated incident of the World War, the capture of the German garrison at Tsingtau by the Japanese was of minor importance. Yet, it stimulated Japanese national pride tremendously and awoke new dreams of conquest.

Would Japan receive the spoils which she felt were due her in Shantung, where she inherited the German, and in Manchuria where she had succeeded to the Russian, interests? It appeared doubtful. Hence, the "Twenty-One Demands," an audaciously unfriendly act on the part of the Japanese who took advantage of the chaos of the World War to make this invasion of China's sovereign rights. These demands, startling to the rest of the world as well as to China, were Japan's most unfriendly gesture toward China since the Sino-Japanese war of 1894-1895, and they inaugurated a new era of hate between the two countries. Had they been granted in full they would have made China a vassal state of Japan. Apparently, the Japanese had concluded that China would be partitioned among the victors at the close of the World War, and hoped to forestall America and Europe by gaining control of China herself. The demands were chief among the various irritants applied by Japan to China in the space of fifteen years, or down to the recent conflicts in Manchuria and at Shanghai.

The multiplying number of Sino-Japanese disagreements, controversies, and "incidents" which have occurred since the "Twenty-One Demands" of 1915, are indicative of two facts: (1) increased Japanese aggressiveness, and (2) a noticeable development of a spirit of oppugnancy and defiance on the part of the Chinese.

Columbia University, New York City, Oct. 1, 1933.

Soong's Resignation and the Japanese Issue

BY PAUL K. WHANG (汪仲芳)

IT is strange that T. V. Soong, after his triumphal return from the World Economic Conference, should resign his government posts at a time when his service is very much needed in looking after the problems in connection with the technical cooperation with the League of Nations and the disposal of the American Commodity Loan. It is even more strange that the government should readily accept his resignation at the juncture when his service can hardly be spared. This sudden turn of political events has not taken the people by surprise, but that this ticklish problem can be liquidated with such promptitude and decisiveness has never been expected. The sudden appearance of General Chiang Kai-shek, Chairman of the Military Affairs Commission, at the Capital, coupled with his hasty departure has added a touch of mystery to this major political drama.

Mr. Soong's affiliation with the Nanking government has been so closely woven that it is the general belief that the government can not be successfully carried on without his service. For six years, he has almost continuously held the portofolio of Minister of Finance of the National government except for a very short interval during the major political shake-up at the beginning of 1932. This long tenure of office, a record which has never been equalled by other finance ministers in modern Chinese politics, although it may be attributed to his intimate relationship with General Chiang Kai-shek, bespeaks, nevertheless, his genius and ability in financing the operation of the government. Through his long connection with the Ministry of Finance, he has incidentally gained a profound knowledge and wide experience in the financial conditions of the country. His ability plus his knowledge has enabled him to carry the government through many financial crises. He has international fame as an able financier.

At Variance with General Chiang Kai-shek

Since the Japanese invasion of Manchuria, the harmony between General Chiang and Mr. Soong has been somewhat broken because of the difference in their opinions regarding China's foreign policy. General Chiang, possibly because of his knowledge of the Chinese military strength, is stated to be in favor of an early rapprochement with the Japanese. That he should devote his whole time and energy to the works of communist-suppression has been interpreted by many as showing that he has not been interested in taking an active part in resisting the Japanese. Mr. Soong, on the other hand, in his frequent public utterances, has shown opposition to any measure calculated to surrender China abjectly to the Japanese.

Besides the Sino-Japanese issue, their viewpoints on the problem of Red-banditry are also widely divergent. General Chiang, being a military man, has steadfastly stood by the policy of resorting to arms to exterminate the communistic menace, while Mr. Soong, realizing the difficulty in raising money to fill the military coffer, has advocated that the suppression of communism must be sought in the political and economical readjustments.

Their difference in political opinions has gradually alienated their affection toward each other. The rift in the Chiang-Soong flute has long come to the surface, but its showdown has been very much deferred because of the absence of Mr. Soong from Chinese politics from April to August this year. As a matter of fact, Mr. Soong's resignation had been rumored even before his departure for the United States. The Jehol debacle and the crisis of North China strengthened very much the position of pro-Japanese officials, thus making the ex-Finance Minister's position still more untenable. As a way out of this impasse, he accepted the government appointment as the chief delegate to the World Economic Conference, and absented himself purposely from Chinese politics for half a year.

As China's chief delegate to the World Economic Conference, Mr. Soong left no stone unturned to build up his international prestige and therefore his influence in domestic politics, so that upon his return he would have the means to meet his political opponents. Thus in Washington, he contracted a huge commodity loan from the American government. And in Geneva, he secured the technical cooperation in reconstructing China from the League of Nations.

His diplomatic success abroad and his increasing popularity at home have further increased the displeasure of his political opponents, who in the meantime through the signing of the Taku Truce and the liquidation of the Northern military situation have gathered more power and influence in the Chinese government. Morover, Mr. Soong's eloquence and outspokenness in denouncing Japanese imperialism and his refusal to land at Japan on his way back home have been the causes of grievances on the part of Japanese officials who have increased their pressure in ousting him from Chinese political arena.

In face of this undercurrent opposition against him, he has no alternative but to kiss goodbye to his government posts voluntarily. In view of his past pluck and spirit, it sounds really ridiculous that he would quit the government posts merely because of his inability to solve the financial difficulty of the government. Since the establishment of the Chinese Republic, the government has always been in financial difficulties and has lived on domestic and foreign borrowings. This financial difficulty, therefore, is not a new phenomena with which he is not acquainted. Last year, in spite of the Yangtse Flood and Shanghai War, he succeeded in balancing the budget without resorting to borrowings. How can it be possible that a Finance Minister who can accomplish such a feat should find himself disqualified to solve the financial difficulty at a time when the condition of the country is not as critical as a year ago?

This being the case, Mr. Soong's resignation, therefore, can be amply interpreted as a big victory for those officials who are advocating an early liquidation of Sino-Japanese differences. His position would be still unassailable, had it not been for the fact that the public sentiment has undergone a similar change during the past few months. The boycott movement has died a natural death, and the Sino-Japanese trade has resumed its former pace. A few of the bankers and merchants, who have been grieved at the loss of Japanese trade, have been especially enthusiastic in urging the early restoration of friendly relationship between China and Japan. A well-known local banker is said to be willing to back up to the limit any finance minister whose views are sympathetic towards the Japanese.

The Japanese government, on the other hand, has not been ignorant of this change of Chinese sentiment. They have welcomed back General Chiang Tso-ping, Chinese Minister to Japan, and at the same time sent Dr. Yotaro Sugimura to China to pave the way for Sino-Japanese rapprochement. Mr. Ariyoshi, Japanese Minister to China, has kept himself unusually busy in holding conferences with Chinese officials in the old capital.

Why Compromise with the Japanese?

With the prospect of immediate resumption of diplomatic relations between the U. S. and the U. S. S. R., the Japanese officials must find some means to consolidate the Japanese position in the Pacific. As a first step to that end, they are very anxious to settle all the questions arising out of the occupation of Manchuria. For months, they have propagated the idea of forming a Pan-Asia League among the Asiatics. Now they have told us that the re-establishment of relations between Russia and the United States will lead to a combination of the "white" powers against the peoples of the Orient, hence it now becomes more necessary than ever that China should forget her animosities and cooperate with Japan in resisting the occidental powers.

Although the Manchurian incident is barely two years old, we have already forgot our wounds. We are now willing to lend our ears to the sweet words of Japanese officials and to forget our animosities as readily as the Japanese have told us. While I am fully aware that the present state of affairs can not be permitted to drag on indefinintely, I, nevertheless, believe that the time is not yet ripe for us to compromise with the Japanese. We can not expect any benefit from opening direct negotiations with the Japanese. To negotiate directly with the Japanese at the present time will be tantamount to an act of surrendering ourselves.

With the resignation of Mr. Soong, the Nanking government has lost not only the service of an able financier, but also the advice of a far-sighted diplomat. It is indeed regrettable that he should be forced to retire on account of his uncompromising attitude with his political opponents. It is therefore to be hoped that his retirement will not last long and that when the opposition of his political opponents dies down, that he will be once again called upon to lead the country out of its present distressful state.

Shanghai, Nov. 6, 1933.

General Chiang Says Banditry Is Also a Social Question

Characterizing bandit-suppression as more a political and social than a military problem, General Chiang Kai-shek has issued a set of general principles aiming at general social and political improvement in the provinces of Kiangsi, Kwangtung, Fukien, Hunan and Hupeh. They stipulate that the plans for pacification of the countryside and eradication of remnant bandits must be vigorously carried out and that registration of households and the system of *pao-chia* (mutual guarantee) must also be brought to early realization.

General Chiang Kai-shek has ordered the establishment of concentration camps at Nancheng, Linchuan (Fuchow), Shangjao, Kian, Kanchow, Pingsiang, and Wuning for the accommodation of the sufferers from the bandi-infested areas. Nanchang alone has 20,000 refugees.

The week (Nov. 6 to 13) is being devoted to country-wide publicity work concerning the anti-Communist campaign. The Chinese papers printed editorials laying emphasis on the necessity of stamping out the Communist menace. A meeting was held at the Shanghai Chinese Chamber of Commerce Nou. 6 in this connection.

In response to an invitation of General Chiang Kai-shek, a delegation of nine representing the National Christian Council of China arrived in Nanchang Nov. 1 to inspect the bandit situation in Kiangsi with a view to devising measures for the relief of the refugees and the rehabilitation of the bandit-ravaged districts.

The 5th and 6th anti-Communist divisions are officially reported to have encountered the Red troops in retreat from North Fukien on October 29, a sharp engagement lasting a day and night ensuing.

General Chen Chi-tang, commander of the Central Group Army in Central Kiangsi, has sent a wireless message to Nanchang asking General Chiang Kai-shek for the loan of a squadron of bombing planes for use against the Communists.

The Cantonese troops have completed their preparations for a general offensive against the Communist stronghold at Chunmenlin. They are concentrating at Anyuan and Chinwu and will begin an attack on Chunmenlin as soon as General Li Pang-chin, commander of the Third Army, who is to command the attack, arrives at the front.

According to an official communique, after five days of desperate fighting the Red forces, comprising the 3rd, 5th 6th and 7th armies, met with a severe reverse at the hands of Government troops in an offensive drive.

Fifth Communist Army Routed

According to the latest reports received from the front, the Fifth Communist Army were routed by the Government troops in a recent engagement in Western Kiangsi. It is said that the remnants are offering to surrender to the Government forces. It is understood that General Chiang Kai-shek has accepted the offer and has printed a number of pamphlets for distribution from the air to the soldiers of other Red units advising them to surrender and promising good treatment to those who do so.

Pointing out the seriousness of the bandit situation in Kiangsi, Shao Yuan-chung, Chairman of the Publicity Committee attached to Central Party Headquarters at a press reception in Nanking Oct 31, urged the press to extend moral support to the bandit-suppression forces at the front.

Conditions in Fukien were described by Li Chang-tat, Secretary-General of the Fukien Provincial Government, in an interview at Canton, Nov. 2. He said that administrative conditions in Fukien were topsy-turvy for years until General Chiang took over the reins of Government last December. Besides bringing about many improvements, the new governor, he said, saw to it that provincial finances were reformed before reconstruction projects were started. One of General Chiang's first acts, he said was to reform the police system in Foochow, and in order that Fukien might enjoy undisturbed peace and order the Governor was now organizing a force of protective guards.

Martial Law Declared at Wanhsien

Martial law was declared at Wanhsien Nov. 1 and will remain in force until the situation is cleared up.

Martial law was clamped down in Chungking Nov. 2 in view of the intensified activities of the communists near

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Wanhsien. Refugees continue to pour into Chungking from Wanhsien.

General Chiang Kwang-nai, Governor of Fukien, and General Yu Han-mou, commander of the 1st Army attended an important military conference at Canton during the week to discuss the anti-Red campaign on the Kwangtung-Fukien border.

According to an official bulletin, the Reds, who have suffered repeated reverses at the hands of the Government troops, are hiding in small towns in eastern Kiangsi.

A heavy counter-attack launched by 6,000 "Reds" on Yunghingchang, between Kaikiang and Suanhan, respectively 35 and 60 miles north-west of Wanhsien, was repulsed by four Government brigades. The Goverment units are advancing north-westwards to Jenhochang, Sanhweikow and Yangchukwan.

General Chiang Kai-shek, has granted a cash reward of $50,000 to the various bandit-suppression troops in western Hupeh in recognition of their meritorious services in defeating the Reds under Ho Lung.

Nanking Sends Military Funds to Canton

Following a petition from General Chen Chi-tang appealing for funds with which to prosecute the anti-Communist campaign in South Kiangsi, the National Government last month remitted $1,000,000 and will shortly send a further $550,000.

The Canton authorities during the week sent another telegram to the Central Government demanding repayment of money advanced by the Kwangtung provincial treasury to finance the Northern Expedition in 1926. The telegram was addressed to Dr. H. H. Kung. The sum demanded was in excess of $100,000,000.

Order Issued for Arrest of Cowardly Szechuen General

An order for the immediate arrest of General Liu Chen-hou, commander of the 21 army in Szechuen, has been despatched to General Liu Hsiang, commander of the anti-Communist forces in Szechuen, by General Chiang Kai-shek. General Liu Chen-hou is alleged to have fled with his men after a slight encounter with the Reds on October 21, leaving Shuiting, a strategic point in north Szechuen, to the mercy of the bandits. Besides the confiscation of 20,000 rifles and 100,000 rounds of ammunition as well as 3,000,000 piculs of rice, the Reds massacred about 100 persons, mostly relatives of the local authorities who were unable to get away in time, when they entered the city.

The refugees which are flocking into Chungking are very resentful of General Liu Chun-hou and Yang Sen for their inability to protect their territory and falling back without doing any fighting. Representatives of the refugees are approaching General Liu Hsiang to demand punishment of the two generals.

General Liu Hsiang, commander-in-chief of the anti-Red forces, paid a flying visit to Chengtu last week to urge General Teng Hsi-hou to launch an immediate drive against the Communists from the south-west.

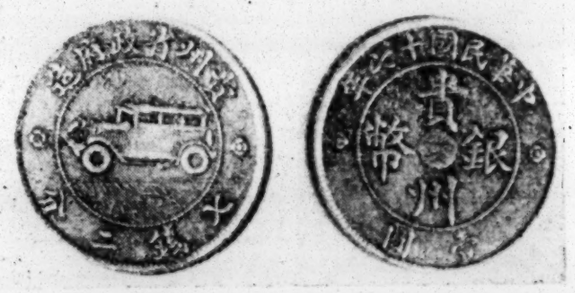
The provincial forces operating against the Communists in Szechuan have advanced to the immediate environs of Suiting, the headquarters of the Red leader, Hsu Hsiang-chien, according to the latest advices from Chungking.

The *Sin Wen Pao* says the nation seems to pay insufficient attention to the Communist successes in Szechuen. Before the Communists gained a foothold in Szechuen, the largest Red area in China was in Kiangsi. Later they expanded their influence to various districts on the Hupeh-Honan-Anhuei border. They occupied these two centers and consolidated their positions for no less than four years, during which they successfully repulsed all Government attempts to oust them. Their main difficulty was to secure enough food for their maintenance and a lack of fresh military supplies for replenishment purposes. The people inside these Red areas either died from starvation or from fighting at the front. The Red position was rendered more difficult following the Government decision to enforce an economic blockade of their areas, as a result of which they were not able to get sufficient food to maintain their army. This, coupled with the Government's concerted advance towards the Red centers, compelled the Communists to think of a new way to save themselves from total distruction.

After a repeated exchange of views, the Communist leaders have decided to pick on Szechuen as their outlet. They have four reasons to support their new expansion scheme. First, Szechuen is a big grower of rice and is self-supporting even if the Government should declare a blockade against that province. Secondly, Szechuen strategically commands the Yangtsze Valley. Thirdly, the people in Szechuen have got tired of heavy taxation and are longing for relief, even from the Communists. Fourthly, the continued internecine warfare between the Szechuen military leaders has considerably impoverished the province and there was practically no responsible head to look after its welfare. For these reasons the Communists believe they can succeed in their new enterprise.

"Motor-Car" Dollar Which Brought Bad Luck to Kweichow General

General Chow Si-keng, who served as Governor of Kweichow province from 1926 to 1929, was highly ambitious and in addition to controlling the important but backward province of Kweichow had ambitions to extend his rule to nearby provinces and ultimately over all China. But he had bad luck and according to the superstitious it all came from his action in minting a provincial dollar that contained the replica of a motor car. Gen. Chow's object in minting the "motor-car" dollar was to encourage road construction in his backward demain which is located in the far interior of south China, bordering on Yunnan, Szechuen and Kwangtung. Within two months after assuming the office of chief executive of Kweichow, Gen. Chow Si-keng practically compelled the rebuilding of Kweiyang, the provincial capital, by arbitrarily widening the streets and building an extensive system of motor-roads radiating from the city to the borders in all directions.



The Kweichow "Motor-Car" dollar, described in the accompanying article. The front of the coin (left) besides showing the replica of a motor-car contains the inscription, Minted by Kweichow Provincial Government. The weeds or vegetation faintly shown beneath the car are arranged in such away as to roughly form the characters "Si-Chen" the personal name of the Governor, Gen. Chow Si-keng. The reverse of the dollar on the right contains the inscription, "Kweichow Silver Dollar, 17th Year of the Republic." The dollar was "Standard" and many of them still circulate in the province, although the coins recently have become scarce because of their acquisition by coin-collectors all over the world.

Then he hit on the clever scheme of minting a provincial dollar containing the replica of a motor-car as a means of popularizing the doctrine of good roads. But serious complications resulted from this, for according to the sooth-sayers, the "motor-car" dollar was the cause of the general's violent demise for he was killed while riding in a motor car at the head of his troops in a battle with a military rival, Gen. Li Shao-yen in 1929. It seems Gen. Chow's private motor car was too speedy for his troops, hence he got too far ahead and was surrounded and killed. However, the sooth-sayers have another explanation which is more intimately connected with the "motor-car" dollar.

It seems that when Gen. Chow Si-keng became governor of the province, he really was ambitious to print his own profile on the provincial currency in imitation of Yuan Shih-kai and Dr. Sun Yat-sen. But official courtesy prevented him from doing this, so he offered the honor to his superior, Gen. Yuan Tsu-min, his nominal chieftain who then occupied the post of Sezchuen-Kweichow Border Tupan, a Kweichow man, who was stationed at Phasien. But Gen. Yuan politely declined the honor of having his picture on the Kweichow coins.

Since Gen. Chow apparently lacked sufficient courage to put his own profile on the dollar, he hit on an interes-

ting subterfuge. Since he was popularly known as the "motor-road builder" of Kweichow, he issued instructions to have a replica of an automobile minted on the coins, and then (this is the interesting part) he secretly instructed the artist who designed the coin to so arrange the weeds or vegetation under the car in such a manner as to spell out the Chinese characters "Si-Chen" the personal name of Gen. Chow Si-keng himself, a fact which was immediately recognized when the new dollars were placed in circulation. But Gen. Chow failed to reckon with the sooth-sayers or native priests, who immediately whispered it about among the superstitious that the placing of the characters for Gen. Chow's name under the picture of the automobile could have no other significance than the violent demise of Gen. Chow in an automobile accident. And the sooth-sayers were 100 percent right for Gen. Chow was actually killed while riding in his car. Which was most unfortunate, for Gen. Chow was at the time engaged in the construction of two important trunk-line motor roads, one connecting his province with Szechuen and the other with Yunnan. His sudden death put an end to this plan, which might have had important results in the politics and economy of southwestern China.

Canton Conference Discusses Means of Coping with Political Situation

An important conference is now being held at Canton with most of the prominent civil and military leaders in the South in attendance. The main topic of discussion at the meeting centers on the existing political situation in the country and measures for coping with it.

The training of protective guards in the counties of Kwangtung is being undertaken by the 1st Group Army and the Kwangtung provincial government. Six months training is required for every recruit, half the period being devoted to academic studies and the remainder to practical work.

The official ban on the news of the resignations of Generals Hsiang Han-ping and Li Yang-ching, two Kwangtung Army commanders, was lifted Nov. 5 and confirmed the first important change in General Chen Chi-tang's armies since he took over the military regime in Kwangtung five years ago. General Li Yang-ching has been succeeded by General Chang Sui-kwei as bandit suppression commander in the East area. General Li will proceed to Kiangsi to direct the anti-red campaign.

Prepartations are under way to establish a sugar factory in Suncho village, Panju country, Kwangtnng, following the appointment of an American expert to undertake the work. The manchinery for the plant has been ordered from Honolulu.

The wholesale confiscation and destruction of lunar (old-style Chinese) calendars has been ordered by the Canton Bureau of Social Welfare. Book stores and printing offices have been warned against publishing lunar calendars for the coming Chinese New Year.

A Canton message Nov. 6 stated that the authorities in the South-west are now drawing up plans for effective control of the Paracel Islands in order to check the ambitions of other imperialist Powers.

Japanese Dedicate Two Shinto Shrines in Shanghai

The Japanese community of Shanghai held celebrations for three days (Nov. 1-3) on the occasion of the dedication of two Shinto Shrines in Kangwan Road. Hongkew—the section in which Japanese mostly live—was in festival attire, with lanterns, flags and banners for the event. The dedication service commenced when Mr. Ishii, the Japanese Consul-General, Mr. Yasui, chairman of the Japanese Residents Association, Admiral Sugisaka, Commander of the Japanese Marines, Major Sato, Naval Attache, Major Kukumoto, Military Attache, and those selected to represent the local community paid their respects at the shrine. Admiral S. Imamura, Commander-in-Chief of the Third Fleet of the Japanese Navy, accompanied by four hundred officers and marines, arrived later. He first bowed before the shrine to the dead warriors, then before the other shrine. This portion of the ceremony was concluded by music by the Marine Band. The shrines were principally erected to honor the Japanese who were killed in the invasion of Shanghai almost two years ago, and are illustrative of the close connection there is in Japan between the prevailing religion and the aggressive spirit of the military clique. Games in Hongkew Park, flag drills, fencing exhibitions, bayonet practices, parades and dances helped to enliven the occasion.

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Chinese and Mongolian Leaders Clash on Autonomy Issue

HOPES for an early and satisfactory settlement of the Mongolian situation created by the recent agitation of the youthful Mongolian leader, Teh Wang or Prince Teh-Mu-Chu-Ke-Tung-Lu-Pu, for the establishment of an Autonomous Government in Inner Mongolia, are now being held in abeyance, as serious differences are said to have been developed between the two Government Pacification Commissioners, Gen. Huang Shao-hsiung (Minister of Interior) and Chao Pei-hen (vice-Chairman of Mongolian and Tibetan Affairs Commission) and the Mongolian leaders over the question of degree of autonomy permitted by the Government and the claims of the Mongolian agitators on the territories of Suiyuan and Charnar provinces. While the Mongolian agitators led by Prince Teh (Vice-President of the Silingol League) and Prince Yun-Tuan-Tuang-Chu—Ko (President of the Ulan-Tsab League) demand what they term as a "High Degree of Autonomy" for Inner Mongolia, Gen. Huang and Mr. Chao, as Commissioners of the Government, are authorised only to grant self-rue among the various Mongolian Leagues and Banners individually—to be subject to the direction of the Suiyuan and Charhar Provincial Governments. Further, Gen. Huang and Mr. Chao object to the title "Autonomous Govefnment" and prefer the term "Autonomous Committees" for Inner Mongolian Leagues. They also declared that the demand of the Mongolian leaders for the return of the Mongolian territory of Inner Mongolia to the Mongolians is both impracticable and unacceptable, because since the conversion of Inner Mongolia into the provinces of Charhar, Suiyuan and Jehol many years ago, Inner Mongolia is now merely a historical name and no longer appears in the maps. The reversion of Inner Mongolia to its former status can not be effected after the lapse of so many years and would cause great complications and confusion in the administration of these provinces.

Gen. Huang and Mr. Chao are still remaining in Kueihua, Capital of Suiyuan, despite the repeated telegraphic requests from Princes Teh and Yun urging them to proceed to Pailingmiao to discuss the autonomy issue. Pending a settlement of their outstanding differences in regard to the above matters, the two Government's Pacification Commissioners are not likely to visit Pailingmiao, but will continue their stay at Kueihua, watching the developments. In the meantime, emissaries of both parties are travelling back and forth between Pailingmiao, Kueihua and Peiping to make preliminary arrangements in order that an understanding may be reached before Gen. Huang and Mr. Chao would discuss the matter with the Mongolian leaders in person. Li Sung-feng, (Director of the General Affairs Department of the Special Commissioners' Office for Inner Mongolia) and Wu Hao-lin (Director of the Nanking Office of the Mongolian and Tibetan Affairs Commission), representing Gen. Huang and Mr. Chao, arrived at Pailingmiao on Oct. 31 and are conferring with Princes Teh and Yun on the situation. They are attempting to persuade the two Mongolian leaders to comply with the decisions of the Government regarding the matter. On the other hand, Pao Yueh-chin, representative of Prince Teh, has been visiting Kueihua and Peiping, seeing Gen. Huang and Gen. Ho Ying-ching to present the views of the Mongolian princes to the two nigh Government officials for consideration.

Interviewed on Nov. 3 at Peiping, Mr. Pao said that he had heard reports that the Suiyuan and Charhar Authorities are determined to oppose the formation of an Autonomous Government in Inner Mongolia and that Gen. Huang Shao-hsiung announced that the Government would not tolerate such an organization. However, he declared, the Mongolians have decided that nothing shall prevent the materialization of their autonomous movement and should any trouble arise as a result of the opposition of the Suiyuan Authorities, the latter would be held responsible.

Continuing, he said: "The Mongolians will never accept General Huang's ideas. They must organize an autonomous government to govern themselves, whatever the consequences. What is more, the Mongolians will demand the return to Mongolia of territory which the Chinese Government has converted into *hsiens* and towns, contrary to the practice of the Mongolians. A large part of Mongolian territory has been taken away by the Chinese and now the Mongolians have very little room to pasture their cattle. This cannot be tolerated. We want our territory back. When I met General Huang at Kalgan, he promised that a Frontier Affairs Ministry would be created in the Government and a Mongolian leader would control the new Ministry, which would employ Mongolian youths. I rejected the suggestion completely because first of all, no Mongolian would leave his land to be an official in far-away Nanking."

Mr. Pao called on Gen. Ho Ying-ching on Nov. 2 and made a detailed report to the War Minister regarding the actual situation in Inner Mongolia. Gen. Ho requested Mr. Pao to persuade his chief to accept the suggestions made by Gen. Huang Shao-hsiung and to plan the autonomy of Inner Mongolia along the lines laid down by the Central Government. Gen. Ho also handed Mr. Pao an autograph letter to Prince Teh, in which he declared that a satisfactory solution of the Mongolian situation can be arrived at only when the interests of the nation as a whole are taken fully into consideration. Mr. Pao is said to have left Peiping to Kueihua to see Gen. Huang to accompany him to Pailingmiao.

A *Shun Pao* telegram from Peiping Nov. 5 stated that the Provincial Authorities of Suiyuan and Charhar have raised strong objections to the establishment of an Autonomous Government in Inner Mongolia. They contend that the Mongolians are not ready for autonomy. They suggest that autonomous rule be introduced into different Banners in Mongolia, but no autonomous Government for the whole of Inner Mongolia. On the other hand, Prince Teh and other Mongolian leaders are bitterly opposed to this suggestion, contending that they want their autonomous Government at all costs. Interviewed, Prince Teh is quoted as stating that due to the extension of Soviet influence in Outer Mongolia and the Japanese menace in Manchuria, it is absolutely necessary for the Mongolians to have the right of self-government in Inner Mongolia. This will on the one hand, facilitate the work of strengthening the national defenses, while on the other, will be in conformity with the bequeathed teachings of the late Leader (Dr. Sun Yat-sen). Should this right be withheld from the Mongolians, it would be impossible for Inner Mongolia to keep pace with world progress, he added.

According to a dispatch from the *Review's* correspondent in Tientsin Nov. 5, in spite of the efforts of Li Sung-feng, delegate of Gen. Huang Shao-hsiung at Pailingmiao, Prince Teh is still insisting upon establishing the Autonomous Government for Inner Mongolia and demanding to include Suiyuan and Charhar into the territory of the said Government. Gen. Huang Shao-hsiung is still at Kueihua, conferring with Gen. Fu Tso-yi, Chairman of Suiyuan, and other officials. Gen. Yen Hsi-shan, Director of the Taiyuan Pacification Headquarters, has telegraphed to Gen. Huang, asking him not to visit Taiyuan, but to settle the outstanding issues with Suiyuan authorities directly, thus putting Gen. Huang in a very embarrassed position.

Interviewed at Kueihua, General Huang declared that he had met several important Mongolian leaders and had already some idea of the real motives of the present autonomous movement in Inner Mongolia. He said he had been informed that some malicious plots engineered by certain quarters were behind the whole movement. The Government hoped that such reports were untrue, but if, unfortunately, they should turn out to be true, the Government would take drastic measures to suppress the movement. Continuing, General Huang stated that the Government was willing to see autonomy established in Inner Mongolia, but the total population of Inner Monglia does not exceed 300,000, which is less than a second-class *hsien* in China. Therefore autonomy should be carried out along the lines of a district, Inner Mongolia not being competent to have an autonomous government. The Government, he concluded, is ready to give the Mongolians every assistance in their autonomous movement on condition that the existing administrative integrity of the Government is not violated.

A dispute which has recently developed between the Chahar and Suiyuan authorities over the question of control over five districts on the Chahar-Suiyuan border

may weaken China's stand in the present Autonomous movement in Inner Mongolia. It is understood that the Suiyuan Provincial Government recently decided to demand the return of five border districts on the Chahar-Suiyuan border which have hitherto been under the control of the Chahar Provincial Government. The Chahar authorities, however, oppose the arrangement, claiming that the five districts definitely belong to Chahar. Serious friction has developed between the two provinces and General Sung Cheh-yuan, the Chahar Chairman, has declined to attend the conference at Suiyuan convoked by General Huang Shao-hsiung for the discussion of measures for coping with the situation in Mongolia.

The Government is perfecting preparations for the establishment of the proposed Ministry of Border Affairs. Gen. Yen Hsi-shan and the Panchen Lama have been mentioned as possible candidates for the portfolio of the Ministry, but as the Panchen Lama is not on good terms with the Dalai Lama of Tibet, Gen. Yen is considered as more suited to the post. Upon the suggestion of Pai Yun-ti, a Mongolian member of the Central Executive Committee, an Advisory Board will be established in the Ministry of Border Affairs and important Mongolian princes will be appointed advisors to the new Ministry, so as to give them a better understanding concerning the relations of China and Mongolia.

According to a *Shun Pao* telegram from Kueihua Nov. 5, Gen. Huang Shao-hsiung has postponed his trip to Pailingmiao indefinitely upon learning that most of the Mongolian Princes have left there for their respective Banners. Instead, Gen. Huang will proceed to Taiyuan to visit Gen. Yen Hsi-shan and confer with him before announcing definite measures for coping with the Mongolian autonomy agitation.

In response to a summons from Gen. Huang, Gen. Hsu Ting-yao, Commander of the 14th Army, has left Peiping for Kueihua to see Gen. Huang and will accompany him on his trip to Inner Mongolia. The presence of Gen. Hsu in Gen. Huang's mission is regarded as of much significance. The Suiyuan Provincial Government has denied the truth of the press reports that the Government is contemplating dispatch of an armed guard to escort Gen. Huang to Pailingmiao. At the request of Gen. Huang, Dr. J. Heng Liu, Director of the Public Health administration at Nanking, has instructed Chen Chung-hsien and several other veterinary surgeons to proceed to Kueihua to accompany Gen. Huang and his party to Inner Mongolia.

Hsia-Kan-Pu-Tsu-Jen, representative of the Panchen Lama, the "Living Buddha" of Tibet, who is now at Pailingmiao, arrived at Kueihua from Mongolia Nov. 3 to welcome Gen. Huang Shao-hsiung and his party to Pailingmiao. The Panchen Lama is shortly coming to Nanking to submit a report to the Government on the Mongolian autonomy movement. Liu Chia-chu, another representative of the Tibetan Chief, arrived at Nanchang from Inner Mongolia Nov. 3 to make a report to Gen. Chiang Kai-shek on the present Mongolian situation.

The Mongolian Association at Peiping dispatched an urgent telegram to the Government Nov. 1, opposing the dispatch of Chang Chia, "The Living Buddha" of Kokonor to Inner Mongolia as Cultural Commissioner and the proposed appointment of Gen. Yen Hsi-shan as Minister of the Ministry of Border Affairs. It is learned that the Mongolian Princes have received the news of the proposed creation of a Ministry of Border Affairs with indifference and have decided to send nobody to serve in the Ministry after its establishment. A report is in circulation to the effect that the Mongolians are planning to back up their autonomous movement by military force. A strong detachment of Mongolian Cavalry is reported to have been stationed on the Mongolian-Chinese border as a precaution against emergencies. This report, however, can not be confirmed in official circles.

Chinese Insurance Association Grants $20,000 to Chapei Claimants

The Chinese Insurance Association is reported to have informed the Bureau of Social Affairs that it will set aside a fund of $20,000 as relief for members of the Chapei Fire Insurance Claimants' Association. The fund was voted, it was said, as the result of repeated agitations by the claimants' association, which demands that compensation be paid for insured properties which were destroyed during the Sino-Japanese hostilities last year.

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Fighting Between Rival Militarists in Sinkiang Resumed

FIGHTING between Gen. Sheng Shih-tsai, Border Defense Commissioner for Sinkiang and Gen. Ma Chung-ying, his Mohammedan rival, has been resumed with renewed vigor after a lull for a few days, according to latest advices from Tihua, Capital of Sinkiang province. Gen. Sheng, in an official message to the Government Nov. 5, reported that the remnants of Gen. Ma have launched a counter-attack against the Provincial Forces in Southern Sinkiang and the province has again been plunged into a state of war. A *Shun Pao* telegram from Peiping Nov. 2 stated that the troops under Gen. Sheng had suffered a reverse at the hands of the Mohammedans led by Gen. Ma, who have already passed through Tihua in hot pursuit of the retreating Provincial Troops. Order in Tihua is being well-maintained. Gen. Ma's headquarters, the telegram stated, had been moved up to a point about forty miles from Tihua. The Provincial Troops under Gen. Sheng are said to be concentrated northwest of Tacheng, where they are holding out against a detachment of the attacking Mohammedans.

Further messages from Tihua state that situation in Sinkiang is very complicated and a state of utter disorder and confusion prevails in the province. At present, according to these messages, there are no less than 33,000 troops in Sinkiang, but these troops refuse to take orders from any central authority but their immediate commanders. Among them, are 1,500 White Russians who are said to have been naturalised as Chinese, some 5,000 Chinese volunteers recently repatriated from Soviet Russia, the Mohammedan troops under Gen. Ma Chung-ying and the Sinkiang Provincial Troops commanded by Gen. Sheng Shih-tsai. Most of these troops are poorly equipped and none of them have any artillery. Gen. Sheng's Army, numbered 17,000, is the largest and strongest unit in Sinkiang.

Gen. Li Tu, former Commander of Chinese Volunteers in Manchuria, who has been staying at Kuling (Kiangsi) since his return to China from abroad, is reported to be shortly leaving for Sinkiang to reorganize his troops there. Gen. Li has at present about three thousand men in Sinkiang, but most of them are without arms. It is doubtful whether Gen. Li actually dares to proceed to Sinkiang in view of the opposition manifested against him Gen. Sheng Shih-tsai.

Gen. Chin Shu-jen, deposed Chairman of Sinkiang Provincnial Government, who has been arrested by an order of the Executive Yuan for mal-administration of Sinkiang and conclusion of secret agreements with Soviet Russia, is being confined in the Nanking District Court pending formal trial of his charges by the Kiangsu High Court. Gen. Chin recently arrived at Nanking from Nanchang where he had an interview with Gen. Chiang Kai-shek. It is said that he had brought with him a large collection of valuables as presents to the high officials of the Government with the object of getting a new appointment, but his unexpected arrest has upset his whole plan and apparently dashed his hopes. Following his arrest, the Ministry of Justice, acting upon an order from the Executive Yuan, has turned over the case to the Kiangsu High Court and instructed the Procuratorate to prosecute him according to law. Meanwhile, the Ministry of Foreign Affairs has also been instructed by the Executive Yuan to hand over a copy of the secret agreement concluded by Gen. Chin with Soviet Russia, to the Ministry of Justice for transmission to the Procuratorate. It is understood that Gen. Chin will be indicted of such serious charges as treason, murder, malfesance in office, illegal execution of people, and unlawful confiscation of private properties. During the past few days, the Government has received many petitions from different quarters, demanding punishment of Gen. Chin. Among these, the most vehement are from the Mohammedan organizations in the country and various public bodies in Sinkiang, urging that Gen. Chin should be executed for his excesses during his tenure of office in Sinkiang and that his private properties should be confiscated, the proceeds of which to be used for the alleviation of the suffering of the people in Sinkiang. Others include those from Gen. Liu Wen-lung and Sheng Shih-tsai, the incumbent Chairman and Border Defense Commissioner of Sinkiang, the Chinese Embassy at Moscow, the Chinghai Provincial Government, all calling for drastic measures against the fallen Chairman.

Gen. Ma Chih-chen, Mohammendan member of the National Military Advisory Council, in an interview, said that the recent Mohammedan Uprising in Sinkiang was directly caused by Gen. Chin who wantonly ordered the execution of a Mohammedan prince in Hami. In addition, Gen. Chin has committed numerous atrocities against the inhabitants of Sinkiang and entered into treaties with foreign Powers which are derogatory to the sovereign rights of the Chinese Republic.

Ai Sha, representative of the people of Sinkiang in Nanking, has also brought impeachment charges against Chang Feng-chiu, former representative of Gen. Chin Shu-jen, at Nanking. Mr. Ai charges Mr. Chang with decieving the Government by concealing the real conditions from the Government's notice and with being an accomplice of Gen. Chin in Sinkiang. He also alleges that while he was in Sinkiang in the company of Gen. Huang Mu-sung, Pacification Commissioner to Sinkiang, Mr. Chang had secretly telegraphed to Gen. Sheng Shih-tsai to put him (Ai) under arrest. Due to the intervention of Gen. Huang, however, he was able to return to the Capital unmolested. In an advertisement in the newspapers at Nanking Nov. 6, Mr. Chang denied that he had gone into hiding at Shanghai as alleged by Ai Sha. He said he would willingly appear in Court in connection with the case of Gen. Chin Shu-jen, if his appearance is required.

The Sinkiang Residents' Association in Nanking held a meeting Nov. 3 at which they decided to petition the Central Government to punish Gen. Chin in accordance with law, to order the arrest of Chang Feng-chiu and to confiscate the private properties of both. After the meeting, a delegation of fifty of them visited the National Government and presented a written petition to the same effect. In addition, they also recommended that the Government should dispatch a high official to Southern Sinkiang to explain the policies of the Central Government vis-a-vis the Sinkiang situation and its solicitude for the welfare of the people of Sinkiang and that an office for the Resident Representative of the people of Sinkiang should be established at Nankiang so as to have closer contact with the Central Authorities.

The *Sin Wan Pao* Nov. 1 published a dispatch from Nanking, reporting that according to information from foreign sources, a certain deposed Mohammedan prince has arrived in Shanghai in preparation for the establishment of a new state in Sinkiang at the instigation of Japanese political agents. The prince is reported to be staying at a Persian hotel in Shanghai.

Completing his inspection trip to Sinkiang, Dr. Lo Wen-kan, Minister of Justice and Government's High Commissioner to Sinkiang, who is now on his way of return to the Capital, arrived at Tientsin November 8 from Vladivostock and a special train is standing by at the Tientsin Station to convey him to Nanking. Wang Ching-wei, President of the Executive Yuan, has wired General Yu Hsueh-chung, Chairman of Hopei Provincial Government, instructing him to accord appropriate reception to Minister Lo upon his arrival. Feng Yu-chen, Secretary of the Ministry of Justice, who has arrived at Tientsin to meet Dr. Lo, emphatically denied the Japanese allegation that Dr. Lo, in his report to the Government, had stated that Sinkiang was being Sovietized. He said that report on Sinkiang had been submitted by himself after his return from Sinkiang, in which no reference even was made to Communinism.

The Ministry of Communications has drawn up a set of regulations restricting foreigners desiring to visit the Northwestern provinces. The action is the result of the recent attempt made by two Japanese military officers to proceed to Sinkiang by an Eurasia airplane.

Commenting on the case of Gen. Chin Shu-jen, the *Central China Daily News* Nov. 7 urged that official discipline must be maintained, if the Government is to uphold its prestige and command respect of the country. In the past, many high officials have been impeached, the paper pointed out, but the Government always pigeonholed their charges and none of them had been punished, even their guilt was proved. Frankly speaking, the article continued, the offenses Gen. Chin has committed merit his execution, but the Government should note that there are many other officials in a similar position to that of the ex-Sinkiang Chairman. What is the Government going to do about them?, the paper queried in conclusion.

What the World Most Needs To-Day

BY WANG CHING-WEI

(Published by Arrangement with the People's Tribune)

With the terrible sufferings, the wholesale, meaningless destruction of the Great War fresh in the memories of mankind, the present world tendency is in the direction of preventing war whenever at all possible—a tendency which has resulted in the establishment, by the combined efforts of the leading statesmen of the world, of an elaborate machinery for the maintenance of world peace. Thus, the League of Nations, the Permanent Court of International Justice, the Locarno Pact, the Washington Treaties, the Pact of Paris—solemn covenants designed to give practical expression to the innermost desire of civilised mankind for peace.

But in order effectively to prevent war it is necessary to remove the cause of war and for civilised mankind to unite in the suppression of any aggressive and over-ambitious Power bent on disturbing the peace of the world in disregard of all solemn international treaties to which it is a party.

China, on her part, has, by profession and by deed, time and again shown that she is genuinely desirous of world peace. Subjected at the present moment to intense sufferings through no fault of her own, she is yet ever ready to co-operate with any one, not only with a view to reconstructing her own country and recovering from the ravages of unprovoked aggression and other national visitations, but also with a view to strengthening the foundations of world peace. As our late Leader Dr. Sun expressed it in a manifesto issued in January, 1912, on the occasion of his assumption of the Provisional Presidency of the Chinese Republic, China is trying to do her utmost in fulfilling her duties as a civilised nation in order that she may by right enjoy the privileges of a civilised nation.

But to be able adequately to fulfil her duties as a civilised nation China needs not only internal peace and national unification but also freedom from foreign aggression. Tired of all the turmoil of the past two decades, the Chinese people are at the present moment engaged in quietly and persistently building up a unified State, but the prerequisite of success is proper protection against foreign aggression. The aim is therefore not only peace for China, but peace for the whole be peace for one country. But in order to obtain peace in the whole world, civilised manking must be ready at any time to suppress any aggressive and over-ambitious Power bent on victimising militarily weak countries for her own aggrandisement.

In this background, China cannot but view with profound regret Germany's withdrawal from the League of Nations, even though it would be a mistake to assume that the event would be followed by any breach of the peace in Europe, as all interested States are seeking appropriate remedies to meet the new situation. And here it may be well to emphasize that China has the strongest desire to see peace preserved in Europe as peace in Europe has a direct bearing upon the peace of the world as a whole.

On the other hand, we may refer with gratification to the fact that negotiations for the resumption of diplomatic relations, between Soviet Russia and the United States of America have already started. The movement for the restoration of normal relations between these two great countries has been on foot for a long time past. And in view of the fact that the Soviet Union and the United States have for some time been on very close terms in so far as commercial relations and the mutual exchange of commodities are concerned, one may say that, while not in name, in actual fact Soviet-American relations have already been restored, the actual resumption of formal diplomatic relations being merely a matter of form. And this Soviet-American rapprochement constitutes a most happy augury for the peace of the Far East and in the world generally.

But while China is watching with keen interest the developments in the international situation, she has absolutely no use for the old school of diplomatic tactics with its wily manoeuvres and strategems, but on the contrary will devote herself faithfully and in real earnest to the task of reconstruction in order that she might build up a modern State on sound and solid foundations.

China's most pressing task is that of national reconstruction, and as this can be fully accomplished only in an atmosphere of peace and tranquility, her desire for

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peace is obviously stronger than that of any other country.

But peace can only be built, be firmly established, on the foundation of equality, and this equality must not be merely the equality in international status, but more especially equality in national strength. China therefore can find no better way of preserving peace than by enhancing and consolidating her national vitality (*Kuo-li*). She must rely on herself and not merely trust to fate. For it is only when we are in a position to fight others that we can become friends with them. And to enjoy the rights and privileges of a civilised State, China must, as also any other nation, fulfil the obligations of a civilised State. It is in fulfilment of these obligations that China is now devoting herself to the political and economic reconstruction of the country; it is with the same purpose that she is seeking the readjustment of her military forces and the strengthening of her national defenses. Thus, besides consolidating our national vitality so to maintain peace in the Far East and in the world in general, there is no other foreign policy the Government can pursue. There is no room for differences of opinion with regard to the conduct of our foreign relations; there can therefore be no conflict of views on the diplomatic situation. The fundamental principle contained in the Joint Telegram of July 28, issued by General Chiang and myself—that the Government will under no circumstances whatever agree to the cession of national territories—remains unchanged, a fact which, once and for all, should give the lie to the rumors circulating abroad to the effect that the resignation of Mr. Soong as Minister of Finance, a post which he has held with such distinction under the most trying circumstances, was due to differences of opinion with regard to foreign affairs.

To re-iterate, ever since the Shenyang Incident of September 18th, there is only one course open to us—to put our house in order so as to consolidate our national strength and vitality and thus strengthen the foundations in the Far East and in the world in general. There is not a second course.

Nanking, November 12, 1933.

Reds Continue Extending Their Borders in Szechuen

(From the Review's Correspondent at Hankow)

With the capture of the important arsenal at Suiting, 70 miles northwest of Wanhsien, Red Commander Hsü Hsiang-chien with his four Red armies is rushing southward and eastward. Sinning, Hsuanhan and Yangliukwan have fallen to the invading Reds, and 600 officers and men of General Liu Chen-hou's army have deserted. The Reds are now fighting near Kaihsien, just 20 miles north of Wanhsien and the troops of Gen. Liu Chen-hou have now been assigned to General Liu Chao-kan, a subordinate of General Liu Hsiang. With the reinforcements from Chungking arriving at Wanhsien, government troops should stop the Red advance.

The situation in Wanhsien remains quiet. From this port no missionaries have evacuated. Some of the families of Customs officials have evacuated to Ichang. The city is a refuge for thousands of Chinese fleeing before the victorious Red armies, and for many missionaries, too. British, American, and Japanese gunboats are patrolling the Yangtze all along the line from Chungking, Wanhsien, Ichang, Shasi and on to Hankow. They are ready for any emergency.

Realizing the necessity of taking drastic steps to hinder the forward march of the Reds, General Liu Hsiang, Commander-in-Chief of the Bandit Suppression forces in Szechuen, has ordered his subordinates to start an enveloping movement on various fronts. The greatest question is whether his subordinates will carry out his orders. Herein lies the tragedy of the situation. The Reds have iron discipline and any order that is not obeyed is usually rewarded with a death sentence. Absolute obedience to the highest commanding officer, is the first law in any efficient army, ancient or modern. This is what General Chiang Kai-shek is seeking to build up in Kiangsi. And his order to General Liu Hsiang is: Stop the Red advance in Szechuen. Should this not prove effective, the Generalissimo may call a military conference of Bandit Suppression officers from the whole Yangtze valley area, to discuss ways and means of dealing with the present violent activities of the Reds, especially in Szechuen and Kiangsi.

The air forces attached to the 21st Army under General Liu Hsiang, have been ordered to the front. General Wang Lin-chi is advancing on the Reds from Kaikiang, 40 miles northwest of Wanhsien. General Liu Tsung-hou is on the look-out at Liang-shan, southwest of Wanhsien 50 miles, from which point bombing planes have been trying to hinder the capture of Chichia (between Hsuanhan and Kaikiang), by the Reds, and have bombed the arsenal at Suiting. How serious the damage, has not been verified.

Besides this three brigades of the Fang Division and another brigade of the third Division are pressing toward Suiting from Chowchiatan and Tingtsekuan. Both General Tien Sung-yao and General Teng Hsi-hou have been requested by General Liu Hsiang to launch a counter-drive against the Reds.

In Hupeh things are rather quiet. It is, however, doubtful whether Red Commander Ho Lung has crossed the Yangtze northward into Szechuen province. The Reds under Commander Hsü Hsiang-chien have the situation well in hand and it might be necessary later on to harass river traffic between Wanhsien and Shasi, Hupeh. Moreover, another horde of bandits in Honan, east of the Peking-Hankow railway, between Chumatien and Chengchow, is reported to be heading westward. It may be part of Bandit Leader Huo Kuo-tung's gang. This group together with the group that was west of Chenping on the west side of the Peking-Hankow railway last week, may be in direct connection with the Reds in Szechuen. Rumors are to that effect. These 15,000 to 20,000 bandits would swell the number of the Red armies considerably.

In southern Shensi most of the territory south of the Yellow river is now in the hands of the Reds. From southeastern Kansu come reports of Generals who have a strong leaning toward the Communistic system as practised just over the line in Szechuen. Once they have consolidated their position, the Reds will find many willing to join them in the neighboring provinces. And the decision to fight the system to a finish must be taken soon, or it will be too late.

The situation in Kiangsi and Hunan has been very quiet this past week. The only fighting reported from Kiangsi was an engagement with the 3rd, 5th, 6th, and 7th Red armies. The government troops reported a victory, claiming to have killed between five and seven thousand.

Kiukiang reports that Generalissimo Chiang Kai-shek, chairman of the Military Affairs Council, is well-pleased with the change in the Finance Ministry and has high hopes that the funds needed for carrying out his anti-red campaign will now be forthcoming.

Hankow, Nov. 6, 1933.

American Fleet to Be Withdrawn to Atlantic

President Roosevelt Nov. 3 authorized the United States Fleet to cruise the Atlantic in 1934. The assistant Secretary of the Navy announced that the question of the Fleet's move from the Pacific was now seriously being considered. The only reason given was that "the Fleet should be acquained with both oceans."

"The concentration of the fleet in the Pacific for two years has created an abnormal situation and has stirred national sentiment to some extent," a spokesman of the Japanese Foreign Office declared when the report of the withdrawal of the American Fleet was received in Tokyo.

Socony-Vacuum Merger Likely to Materialize

The Socony-Vacuum Company has called a meeting of stockholders in New York Nov. 14 to vote on the proposal to merge the properties of the Socony-Vacuum Oil company primarily in connection with the company's marketing activities in China and other areas in the Far East with the producing and refining facilities of the Standard Oil company of New Jersey. Contrary to previous statements, the merger is likely to go through.

The Dutch Petroleum Company announced that an agreement relating to community interests had been reached with the Standard Oil Company of New Jersey and the Socony-Vacuum combine for the sale of oil products in the Far Eastern and African markets.

Who's Who in China

Lone Liang, diplomatist, jurist; born in Meihsien, Kwangtung in 1894; received early education at home; attended middle schools at Canton and Tokyo; studied law and economics at the Universities of London, Cambridge and Aberdeen 1912-21 and obtained the degrees of B. A., M. A. and LL. M.; research in Berlin 1921-3; Director of Law School in Canton University and Presiding Judge of the Supreme Court in Canton 1923-5; member of the National Constitution Drafting Commission 1925; President of the Peking School of Law and Political Science and lecturer at the Peking University 1926; Judge of the Provisional Court in the Shanghai Settlement 1927-8; Commissioner of the Treaties Commission in the Foreign Office, Nanking, 1928; Councillor of the Chinese Legation at Berlin 1929-33; at present *Charge d'Affairs* at Prague, Czechoslavakia; address: Chinese Legation, Prague, Czechoslavakia.

Lone Liang (Liang Lung)
梁雲松字龍

梁雲松字龍，廣東梅縣人，年三十九歲，幼受家庭教育，繼肄業於廣州及日本東京等地之中學校，一九一二至二一年中肄業倫敦及劍橋等大學，專攻法律經濟等科，得文學士，文學碩士及法學碩士學位。一九二一至二三年入柏林大學研究院，一九二三至二五年任廣州大學法律科主任及廣州最高法院首席推事，一九二五年任憲法起草委員會委員，一九二六年任北京法政學校校長及北京大學講師，一九二七至二八年任上海公共租界臨時法院推事，一九二八年任南京外交部條約委員會委員，一九二九至三三年任駐德中國公使館參議，現任捷克斯拉夫中國公使館代理公使，

Jack T. Young to Make Another Expedition Into Tibet

Jack T. Young (whose father is a prominent Chinese merchant at Hankow), who took part in the Roosevelt expedition several years ago to Indo-China, Szechuen and the Tibetan border, and was a member of the Tibetan mountain climbing expedition a year ago, was due to sail from New York on the Roosevelt motor vessel *Wichita* Oct. 21, enroute to China. He will start on another zoological and botanical expedition into the Tibetan plateau on behalf of the American Museum of Natural History. He is making his headquarters at Tatsienlu. He was married at Newark, New Jersey, October 11, to Miss Adelaide Su-ling.

Labor Party Stages Come-Back in England

The final figures in the Municipal elections in the 346 boroughs of England and Wales, excluding the County of London, show a big landslide in favor of Labor, with the latter capturing 261 seats from its opponents. Deducting 19 losses, the net gains of Labor total 242. The Conservatives and the Independents lost 208 seats and the Liberals 34. It is anticipated that members of the Labor Party will table a motion of censure against the Government when the House of Commons reassembles.

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Who's Who in China

(with Supplement)

The standard edition of *Who's Who in China*, published in 1931, has now been brought up to date through the publication of a 200-page supplement. The two books contain the pictures and biographical sketches of the leading men and women of affairs, in government service, business and the professions.

It's the only work of the kind in the English language, is fully indexed in both English and Chinese and most of the sketches contain the latest addresses in addition to information pertaining to date and place of birth, education, careers, etc.

No business office, home, school or public library is complete without *Who's Who in China* giving complete information about the leading men and women of affairs in the Chinese Republic.

If you already have the standard edition published in 1931, order the Supplement only. If not order both books. The prices in Chinese silver or U. S. currency, including postage are as follows:

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The China Weekly Review

38, Avenue Edward VII
Shanghai.

Men and Events

A branch office of the Central Bank of China will shortly be established as Sian, Shensi province.

A general holiday will be observed in China on Nov. 12 to celebrate the birthday anniversary of Dr. Sun Yat-sen.

The Ministry of Finance will shortly send Soong Wen-pin to America to push the sale of National State Lottery tickets among Chinese nationals there.

James M. Baker, newly appointed U. S. Minister to Siam, passed through Shanghai during the week on the way to Bangkok.

Dr. Loan Liang, councillor at the Chinese Legation at Berlin, Nov. 1 departed from the German capital to take up his new post as charge d'affaires at Prague.

The Ministry of Communications has instructed the Chinese Post Office to reduce the postal rates on parcels addressed to Hongkong and Macao, owing to express company competition.

According to information from Chinese educational circles, there are 1,808 Chinese schools in foreign countries, namely, 1,716 primary schools, 90 middle schools and two high schools. Most of these schools are in British colonies.

The China Merchants Steam Navigation Company has organized a special commission to take care of the construction of ships in England and Shanghai with the newly borrowed funds from the Sino-British Boxer Fund Commission.

The American Bible Society this year will celebrate the 100th anniversary of its work in China this year. In the current year alone the Society has distributed 61,190 copies of the Bible in China. It is announced that in all the Society has distributed 2,959,706 volumes of the Scriptures in China.

The *Woo Sing*, the third of a series of three new Customs cruisers built at the Kiangnan Dock and Engineering Works, was successfully launched at Kaochongmiao Nov. 14 before a large gathering of Chinese naval and Customs officers as well as the engineering staff at the dock.

Tan Chang-kai, Provincial Commissioner of Reconstruction for Hunan, has been relieved of his post and suspended from Government service for a period of ten years, for having secretly sold and exported abroad (to Japan) minerals extracted from mines operated by the Hunan Provincial Government, mostly for the manufacture of munitions.

A reduction of railway freight charges for the transportation of silver specie consigned by the Honan, Hupeh, Anhwei and Kiangsi Provincial Farmers' Banks has been granted by the Ministry of Railways in orders issued to the Peiping-Hankow, Tientsin-Pukow, Lung-Hai, Canton-Hankow, Chuchow-Pinghsiang and Nanchang-Kiukiang Railways.

Three thousand Chinese Boy Scouts participated in a review at the public recreation ground in Nanking Nov. 4. Chen Kung-po, Minister of Industry, expressed the hope that the boys would strive to become helpful elements of society, good citizens of the nation, and brave soldiers on the battlefield.

The U.S. Marines on duty in Shanghai held an impressive service at the Fourth Marines Church in the Cathay Theatre Nov. 5 to commemorate the 158th anniversary of the United States Marine Corps. Colonel John C. Beaumont spoke a few words of commendation to the men and urged them to adhere to the fine traditions handed down to them by their predecessors in the Corps.

The Hopei Provincial Party Office has issued a circular telegram suggesting that Yi Pei-chi, a member of the C.E.C. and Director of the Peiping Palace Museum, should be arrested and duly punished by the Government for corruption during his tenure of office as director. The telegram alleges that Mr. Yi sold many valuable articles in the Museum without proper authorization and embezzled more than $100,000 while Minister of Agriculture and Mining.

Mrs. Mary C. Hale, president and founder of the China Society of New England, who had been spending some time in Peiping, arrived in Shanghai during the week. She is staying at the Astor House. Mrs. Hale came to China via Europe. Mrs. Hale has come to China in the interest of the Junior Friendship Circle, an organization of Chinese and American children which was formed under the auspices of the mother organization. Both were formed with the idea of promoting international friendship and understanding.

General Yen Hsi-shan has promulgated a new order prohibiting further opium smoking in Shansi province.

A commission has recently been formed by a number of local Chinese business leaders to take charge of affairs for the recovery of the war-devastated Chapei districts.

Richard Chester Shanghai's pioneer advertising agent, now retired, departed for Brisbane, Australia, during the week, where he will visit his son.

Commander Raffaele Boscarelli, new Italian minister to China succeeding Count G. Ciano di Cortellazzo, arrived in Shanghai to assume the duties of his new office Nov. 6.

A large quantity of confiscated narcotics, consisting of 3,672 packages of opium and over 100 catties of opium pills, was publicly burned Nov. 6 at the Shanghai District Court premises.

Dr. Jermyn C. H. Lynn gave an address on the "Manchus of yesterday and To-day" at the Y. men's Club in Shanghai Nov. 6. Yinson Lee, President of the Club, introduced the speaker.

The Philippinies Senate Nov. 2 approved the measure limiting sugar production in the Islands to a total of 1,400,000 short tons for raw sugar, and 80,000 tons for refined sugar. The measure will be enforced during the next three years.

S. F. Mayers, Chairman of the British-Chinese Corporation, spoke recently to the students at Chiao-tung University on "Some Aspects of the Chinese Railway Problem." He was later a guest of honor at a tea party extended by the faculty.

Hallett Abend, correspondent for the New York *Times* and his assistant Douglas Robertson, were hosts at a cocktail party on Tuesday afternoon, Nov. 7, at their apartment in the Embankment Building. Mr. Robertson recently returned from a vacation trip to Canada.

The German authorities released Noel Panter, the London *Daily Telegraph* correspondent, Nov. 1 on condition that he left the country within 48 hours. The *Telegraph* said that their correspondent's release was the easiest way for the German government to get out of a bad move.

Sir Miles Lampson, according a privilege never granted to foreign correspondents, received representatives of the Chinese press in Peiping Nov. 1 and issued a statement to them. Concerning relations between Britain and China, the High Commissioner-disignate for Egypt and the Sudan said he has happy to think that they were never better than they were to-day.

Tenders will shortly be invited by the Ministry of Industries for the construction of a central machine works at Chaohsiachia, outside Nanking City. Huang Han-ju, the secretary of the Ministry, will leave shortly for England in connection with the purchase of machinery from British manufacturers, for which the Ministry some time ago secured a loan of £123,200 from the British Boxer Fund Committee.

A joint meeting of representatives of the Sino-British, Sino-Belgian and Sino-Dutch Boards of Trustees for the administration of the Boxer Indemnity Refunds was convened at Nanking Nov. 6 by Wang Ching-wei, President of the Executive Yuan. Among those present were Dr. Li Shin-tseng, Chang Ching-kiang, Dr. Chu Chia-hua, Dr. Wang Shih-peng. The object of the meeting was to discuss measures for the coordination of the activities of the various Boards.

W. H. Donald returned to Shanghai during the week from Europe, whence he has gone with ex Marshal Chang Hsueh-liang beginning of the year. Mr. Donald had been adviser to the Marshal for a number of years. Mr. Donald stated that the ex-Marchal will will remain in Europe for the present, visiting practically every country, possibly including Russia. The ex-Marshal is taking a particular interest in aviation. Mr. Donald stated that he will remain in Shanghai for an indefinite period.

Major R. Watari, who served as spokesman for the Kwantung Army Headquarters at Mukden at the time of the Japanese occupation in September, 1931 and for several months thereafter, died in a hospital in Tokyo on Oct. 24. Major Watari's father is connected with the Imperial Household department at Tokyo and two of his brothers are majors in the Imperial Japanese Army. He is survived by Mrs. Watari and a young son who reside in Mukden. Shortly after the Mukden incident, Major Watari was detailed to handle the news reports issued by the Japanese staff headquarters and for several months was the chief source of information for the newspaper correspondents who covered the Manchurian "undeclared" war.

An address on "The Industrial Development of China" was delivered by King-chau Mui, Chinese consul in Honolulu, over the radio, Oct. 12. Mr. King said industrialized China will take on an Oriental character; like other imported movements, industrialization will follow a Chinese version in spirit and in style. Because of the numerous obstacles that are almost overwhelming, China's industrial progress has been retarded considerably; among these may be mentioned her internal and political problems, the lack of sufficient means of communication and transportation, a traditional social system, the scarcity of capital, the exploitation of her resources by foreign powers, and the poverty of her agricultural population.

R. d'Auxion Ruffe, counsel for the Austrian physician, Dr. Serbousek, has issued a statement that his client is in a pitiable condition both mentally and physically, and quotes a certificate from doctors of Ste. Marie Hospital that his treatment by the Chinese authorities is "incompatible with the urgent therapeutics necessitated by his condition." Dr. Serbousek was allegedly connected with a deal to secure protection for a gambling establishment. The authorities of the Shanghai French Concession have issued a formal statement warning residents of the French Concession that no public gambling houses will be permitted and that any one who attempt to collect money for the purpose of securing official protection for such an enterprise is a swindler.

Military Movements in Chinghai Give Rise to Rumors

Despite the decision of Gen. Sun Tien-ying, Commander of the 41st Army, to halt the march of his troops into Chinghai in compliance with the orders of the Central Government, rumors of war have arisen as a result of the recent military movements in Chinghai. According to a special telegram received at Peiping Nov. 3 from Hsining, Capital of Chinghai, Gen. Ma Lin, Chairman of that province, recently called a military conference which was attended by all the high military commanders in Chinghai. These Commanders have now returned to their respective garrison posts and have issued an order for the general mobilization of their troops for the regular Autumn manoeuvres. However their joint move in one direction has aroused suspicion and rumors, being generally interpreted as an armed demonstration against Gen. Sun Tien-ying's entry into their province.

Meanwhile, it is reported that war-like preparations are also in progress on the Ninghsia-Suiyuan border where Gen. Sun's troops are now concentrated. Gen. Chu Shao-liang, Pacification Commissioner for the Northwest, has issued strict orders to Gen. Ma Hung-kuei, the Ninghsia Governor, forbidding him to enter into individual negotiations with Gen. Sun before he receives a formal order from the Central Government. Gen. Chu further ordered that if Gen. Sun attempts a forcible entry into Ninghsia, it should be resisted with force of arms.

Gen. Sun has received a definite order from the National Military Affairs Commission at Nanking, of which Gen. Chiang Kai-shek is Chairman, instructing him to station his units at their present posts and refrain from marching further westwards in order to avoid a conflict with the Northwestern authorities. New garrison posts will assigned to his army next Spring, the order states.

The *Peiping Morning Post* published a report Oct. 31, stating Gen. Sun Tien-ying has made up his mind to march into Chinghai inspite of the orders of the Government and the oppotition of the North-western Authorities. General Sun is said to have sent back his family to Tientsin and decided to proceed westward at the head of his army. A clash between the opposing forces is believed imminent. Gen. Sun has resolved to take his chances, as Paotaochen could not afford to maintain his army and his presence is much disliked by the Shansi and Suiyuan authorities.

A military spokesman of the Government said Nov. 4 that the Government has formulated detailed measures concerning the disposition of Gen. Sun's units. Although Gen. Sun's men have been assigned to Chinghai, their monthly allowance would still be provided by the Central Government. In view of the advent of Winter, they have been instructed to remain at their present posts and to resume their March into Chinghai next Spring. Following assurances from the Central Authorities, the members of the Ninghsia Provincial Government have withdrawn their resignations.

An order of the Ministry of Interior to transfer control of Linhsia (Taoho) district, western Kansu, to the Chinghai Provincial Government, has aroused opposition among the inhabitants of the district. For traditional reasons, they refuse to be ruled by the Kokonor Provincial Government and have sent deputies to petition the National Government to repeal the order.

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The pamphlet contains in its 10 pages a complete exposition and analysis of Shintoism and Empire-worship, regarding which the world is now beginning to hear so much along with the so-called doctrines of Pan-Asianism and Asiatic Monroe Doctrine.
Price, including postage, 30-cents a copy. Orders sent to *The China Weekly Review* will be forwarded to the publishers for execution immediately.

New Books of Interest in the Far East

Gordon and Foreign Intervention in China

Gordon. An Intimate Portrait. By H. E. Wortham. 343 pp. Price 12/6 net. George G. Harrap & Co., Ltd. London, 1933.

This book on General Gordon commemorates the centenary of the birth of this outstanding figure in the first foreign intervention in China during the nineteenth century, when the "Ever-Victorious" Anglo-Chinese Army was maintaining the decadent Manchu autocracy against the Taipings. Wortham, the author of the book, is most devoted to the cause of his hero, whether in China, the Sudan, or elsewhere, though it is quite clear from the volume that Gordon was so completely muddled a man, with Christianity, Imperialism, mysticism and militarism so inextricably mixed in him, as to make him at times seem quite unbalanced, considered from the viewpoint of rationality or consistency. Perhaps, however, he merely represented in a higher degree the typical self-contradiction of the Christian Imperialist,—the man who worships the Prince of Peace and at the same time devotes himself to the business of wholesale killing for Imperial or patriotic ends.

China was only a part of Gordon's career, a part which occupies much less than half of this book. But, as the first place where he distinguished himself in a military way, it gave him his name of "Chinese" Gordon. To us out here this is of much greater interest than any other part of his life. For it shows clearly the manner in which Britain and France, after humbling the Manchus and bringing them to submission, turned to defend the decadent autocracy against more radical elements. It was the beginning of the foreign intervention which has, at every critical period in the history of China, exerted its influence to maintain the most reactionary and autocratic regime available against the Chinese people.

Gordon was not simply "sent" to China. He volunteered for active service when Britain declared war on heathen China in 1860 to compel the latter to open its doors more fully to the Christians and their opium. He participated in the plunder of the Summer Palace, the burning of which he regretted: "It made one's heart sore to burn them; in fact, these palaces were so large, and we were so pressed for time, that we could not plunder them carefully." His share of the prize money was £48.

But with the Manchu regime humbled, the Imperialist Powers were prepared to support it against its internal foes. The Taipings had smashed the Manchu forces through much of the South, and established themselves at Nanking. Their growth menaced not only the alien Manchu autocracy at Peking, but the whole predatory mandarinate dependent upon this. And the foreign Imperialist elements were not only in natural sympathy with the Manchu empire against the revolutionists, but furthermore were bound to the former by the treaties they had secured. These treaties, indeed, had given them a direct interest in the maintence of the Peking tyranny, for although the Taipings were by no means anti-foreign, they were wholly disinclined to accept the opium traffic,—the main interest of foreigners in China, which the Manchus had finally legalized. Furthermore, the establishment of a State Socialist system in Nanking and other cities by the Taipings by no means aroused the enthusiasm either of Imperialist Governments or of private capitalists and merchants.

The fact that the Taipings were inspired by a faith in Jesus Christ aroused, for a time, sympathy among some Protestant missionaries, and may have postponed the intervention by foreign Governments, which were indeed prepared to be neutral if the Taipings would recognize the opium traffic. (The British Government, as Wortham correctly states, "sent Sir S. G. Bonham to acquaint the Tien Wang with this decision and to present him with a copy of the treaty of 1842, which it expected the Wang to observe no less scrupulously than the Imperial Government, for British trade was not to be hampered by the internal dissensions of the Chinese people." Wortham does not make it plain that opium was the main element in this trade.) But when the missionaries learned that the Taipings subscribed to a wholly unorthodox creed their sympathy was quickly dissipated. To the Christian fanatic a heretic is far worse than a heathen, and when religious heresy is combined with economic heresy in the form of Socialism there is not much room left for "Christian brotherhood." The missionaries, therefore, in time lined up fairly solidly with their Imperialist and opium-selling compatriots for the subjugation of the Taipings. Gordon himself, as Wortham remarks, "never acknowledged any sort of Christian brotherhood with the Taepings" (Wortham's spelling).

When in 1862, therefore, the Taipings approached Shanghai, foreign forces were sent against them, in which Gordon served. Already, however, a special Chinese force, officered and drilled by Westerners and with Western arms, had been formed,—the "Ever-Victorious Army." Li Hung-chang, faithful servant of the Manchu autocracy, strongly favored this use of foreign mercenary officers. Like all his privileged and predatory class, he had the most bitter and bloodthirsty hatred of the Taipings, which he expressed well in a poem which Wortham quotes:

> Let them be given no quarter!
> It is a great work and blessing
> To pluck out their lying tongues,
> To burn deep the sockets of their eyes,
> To rip open their vile bellies,
> To rub salt into many cuts,
> To trim close their ears,
> To draw forth their nails.

Gordon's own comments on the Taipings are a mixture of mendacity and simplicity. In general, in justification of the intervention, he declares them to be desperadoes, devoted wholly to murder and plunder. On the other hand, he states on another page that his "rebel prisoners" were "excellent fighting material," and readily recruited for the "Ever-Victorious Army,"—not exactly a compliment to the latter force. He describes the Taipings as spreading only destruction and desolation, but elsewhere speaks of the crowded traffic of the "peaceful provincials" along canals in Taiping territory. But his basic justification for the war against the Taipings is the usual hypocritical appeal of all "Christian" militarists: "on the ground of humanity. The rebels had to be taught a lesson. If they learned it properly peace might come at once." (A process of reasoning which the rebels of course could use with equal justification against the Manchus, and which indeed the British and French had already used against the latter). When some foreigners protested against the frightful cruelties perpetrated upon Taiping prisoners by Imperial forces Gordon actually wrote to the press "upholding the humanity of those fighting in a just cause." And Wortham tells us further that in this intervention (to save the predatory Manchus and the opium traffic against a Christian-led popular rebellion), Gordon would in battle "silently pray for victory to the Christian God!"

"Chinese" Gordon, though doing the bloody work of the "heathen" Chinese ruling class, remained the "superior" White, with different standards for his Chinese and foreign subordinates. "Gordon might shoot a mutinous corporal; he could not visit the same penalty upon a European officer whom he discovered treacherously corresponding with the enemy."

We are reminded briefly of the British Minister's project that Gordon should remodel the Chinese army, same to be removed from the authority of provincial governors,—"a project which if it had materialized, would have constituted him dictator of the Empire." But the Manchus were not yet sufficiently humbled, nor sufficiently naive, to accept this proposal, in spite of their dire need of foreign assistance.

The incident at Soochow, where the Wangs agreed to surrender upon Gordon's personal guarantee of their safety, received further a "pardon" from Li Hung-chang, and were treacherously massacred by the latter as soon as he got them into his clutches, is set forth with Li's absurd explanations given in full. Most significant, however, is that this brought only a temporary breach, and after a period of sulking Gordon, his Christian sense of honor apparently appeased, returned to the service and to Li's friendly arms again, thereby condoning the Viceroy's treachery. The bitter attacks by liberal Britons, in and out of Parliament, upon the continued intervention and Gordon's condonement of "disgraceful treachery," brought some more anti-Taiping blasts from the Colonel, he declaring that "compared with the rebels, the Imperialists are lambs," though when not engaged in propaganda he remarked that the Imperial troops lived by plunder, and described some of their massacres.

Gordon's own Imperialist bloodlust against the rebels is shown in his letter before Chanchuru: "The Rebels of this place are the 'originals' of the Rebellion, and though there may be some innocent, still the mass of them are deserving the fate that awaits them."

But the efforts of Gordon and others failed to prevent the British Order-in-Council, stimulated by the low treachery at Soochow, being issued, recalling Gordon, though in fact the Anglo-Chinese Force had been demobilized (against the objections of the British Consul in Shanghai, "who made a little row about it") before the Order reached China. It was not that the Force had completed its work, but "it was certain that as the Force stood it presented a great danger for both Shanghai and the Chinese." Gordon himself declared after the demobilization that "a more turbulent set of men who formed the officers have not often been collected together, or a more dangerous lot if they had been headed by one of their own style." (Strange that this tribute from their leader does not appear upon the monument to the Anglo-Chinese Army in the Public Garden in Shanghai!)

So "Chinese" Gordon, covered with "glory" of a certain kind, finished his career in China, "a recognized authority on Chinese questions." How "honest" and "unbiased" an authority he was may be imagined from his declaration that "it is absurd to talk of Manchus and Chinese, the former are extinct and the latter are in every post, and it is equally absurd to talk of the mandarins as a class distinct from the people of the country. They are not so."

Gordon died as he had lived, serving Britain's Imperial lust for other people's territories. Gordon was more Imperialistic than the British Government itself, and stayed in Khartoum, trying in co-operation with an old slave-dealer to master the Sudanese, after his Home Government had ordered evacuation. And there he met his death. Wilfred Scawen Blunt remarked that Gordon had taken, at his beginning in China as at his end in the Sudan, the part of the oppressors against the oppressed. But after all, as Gordon himself might have remarked, "he wath a Chwithtian offither, a faithful thubdthect of hith King." H. H.

"Far Eastern Front"—New Book by Edgar Snow

Edgar Snow, correspondent of the Consolidated Press Association of America in the Far East, formerly stationed at Shanghai but now at Peiping, is the author of a new book entitled "Far Eastern Front," first copies of which have just been received in Shanghai from the Publishers, Harrison Smith & Robert Haas, New York. The book consists of 332 pages and is fittingly illustrated. Largely an account of the stirring and dramatic events of the past two years on the Mainland of Asia created by the Japanese armed thrust in China's Three Eastern Provinces, the book possesses many unique features in the way in which the author presents and interprets them, neither impassioned nor prejudiced. For information and understanding of the great human drama now being enacted on the Asiatic stage, this book will prove of great value and interest. A complete review of the volume will shortly appear in these pages.

What a Doctor Says about Neuralgia

At this time of year, when neuralgia and similar troubles are common, the following dictum of a physician who for a number of years prior to his retirement was well known in Shanghai and other parts of the Far East is of special interest.

"Neuralgia," said the doctor, "like many another nervous affliction, may be guarded against by maintaining blood and nerves at the highest point of efficiency. A tonic that is not merely a temporary stimulant, but one that builds up both blood and nerves, is a far more rational means of acquiring immunity to neuralgia, and of lessening its recurrence, than the use of analgaesics or sedatives which, while effective, afford but temporary relief."

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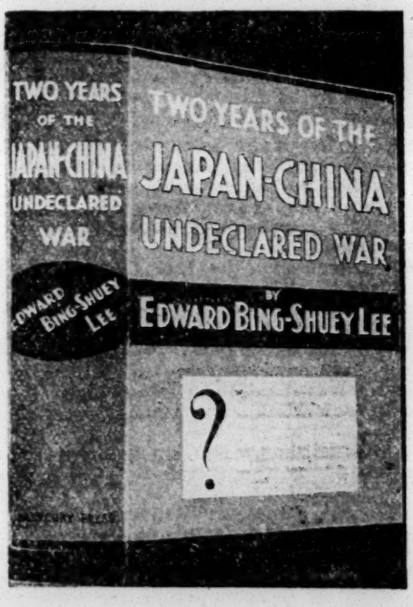

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CHINA WEEKLY REVIEW

38 Avenue Edward VII.

Change Made in Canton Airmail Schedule

A change has been made in the time of departure of air-mails from Canton for Shanghai. Instead of leaving in the afternoon, planes in future will hope off at 9 a.m., make a short stop at Swatow, and then continue on to Foochow to pass the night there. From Foochow, the planes will take off in the morning and arrive at Shanghai by noon.

The China Aviation Company may establish a new line between Chengtu, Kweiyang and Yunnanfu shortly to facilitate transportation between Shanghai and the interior. The line will be an off-shoot of the Shanghai-Chengtu air route, as it is impossible to establish a direct route from Shanghai to Kweiyang or Yunnanfu owing to the large expenditure involved.

The commercial service on the Chungking-Chengtu section of the Shanghai-Chengtu Airway is scheduled to be resumed on Nov. 12. For the first week, only air mail service will be operated; passenger service will be resumed on Nov. 18.

Airdrome to be Constructed at Shaokwan

The Canton military authorities are drawing up plans for the construction of a large airdrome at Shaokwan, on the Kwangtung-Hunan border. It is understood that the airdrome, when completed. will be able to accommodate sixty planes.

A new airdrome has been completed at Lanchow in place of the old one, the location of which was found to be inconvenient for passengers. The Inter-Provincial Highway between Lanchow and Ninghsia has also been completed; traffic was opened Nov. 1. For the first three months, motor-car tolls will be collected at half the regular rates.

Shanghai-Made Plane Makes Flight To Tungchow

Kiang Feng, one of the amphibian airplanes made at the Chinese Aircraft Establishment in Shanghai made a flight to Tungchow during the week, with a view to arousing the interest of people that toron who are said to be contemplating the purchase of a Chinese-made airplane for the government.

A Junkers airplane of the Eurasia Aviation Corporation made a forced landing at Tacheng. east of Peiping, Nov. 4 while on its way from Nanking to the former capital. Following a cruise from Lanchow on the regular airmail schedule, the airplane was despatch to Peiping from Nanking last Saturday. Nearing its destination, engine trouble was discovered and the German pilot immediately made the forced landing. No damage was done to the plane.

Sun Tung-kang, the young Chinese aviator, left Tientsin Tsinan Oct. 31 on the last leg of his cross-country flights.

Lieut. Colonel Bonavita, Military Attache of the French Legation in China, called on General Ho Yao-tsu, Assistant Chief-of-Staff in Nanking and asked for permission to visit the Flying School at Hangchow. He also secured a letter of introduction to see General Chiang Kai-shek, President of the Military Affairs Commission, at Nanchang.

Four planes of the Kwangsi Aviation Department will shortly attempt a cross-country flight. Altogether eight pilots will join in the flight. They will set out about the middle of November.

Acting under instructions from General Chiang Kai-shek, the Aviation Administration has sent deputies to Nanchang, provincial capital of Kiangsi, to prepare for the establishment of an aviation bureau there.

Plane 'Great Shanghai' Crashes At Chienchiao

"Great Shanghai I," the powered Curtiss-Hawk fighting plane purchase recently with funds locally contributed and presented to the government crashed during a trainning fight at the Central Aviation Acapemy, Chienchiao, near Hangchow, Nov. 1. It is alleged that a total 10 airplanes crashed and have been damaged since September 12. They included the Curtiss-Hawk plane christened "Shanghai Laborers."

In view of the important part which the newly organized air squadrons will play in the forthcoming anti-Red drive, a military aviation bureau has been established at Nanchang by order of General Chiang Kai-shek.

Japan to Build Airdrome on Pacific Island

An announcement by Japan that she intends to build an airdrome on the mandated island of Saipan "to study meteorological conditions and to aid fishermen" has (according to *Havas*) aroused discussion in United States Navy circles at Washington.

The inaugural night flights from Tokyo to Osaka and vice versa, which were carried out on the night of November 2, proved to be successful.

The Manchuria Air Transport Company will undertake an aerial survey of Manchukuo for the purpose of drawing up a minute map of the country, within a month or two. One or two passenger planes of the company will be used in taking aerial photographs. Cameras and other necessary instruments for this work have been already ordered from Germany and will reach here next month.

Soviet Air Line to Saghalien Engages China's Attention

The Soviet experiment of subsituting an air force for a navy is being watched with deep interest by foreign military attaches in China. Particular attention is being paid in Peiping to the opening of a Soviet air line extending from Habarovsk to Russian Saghalien. The new air line means regular airplane flight all the way from Vladivostok northward along the coast of the Soviet Maritime Provinces. Landing facilities, fuel depots and weather observation stations have been provided for the line and in the event of war they can be speedily adapted for military purposes.

The possibilities of a northern air route between America and Europe to operate during the summer months, were discussed at a conference detween Colonel Charles Lindbergh and the managers of the Royal Dutch Air Line, at the Hague, Nov. 3.

In view of the recent secret visit of two Japanese officers to North-west China by airplane, the management of the Eurasia Aviation Company has submitted a petition to the Government urging that restrictions shall be imposed on foreign nationals desiring to proceed to the North-west by plane. The matter is now under discussion between the Ministry of Communications and the Foreign Office.

S. M. R. Objects to Kwantung Army's Reconstruction Plan

THE South Manchuria Railway Company, which is reported to be opposed to the Kwantung Army's proposal to separate its enterprises from its main business of railway transportation, has decided to send its president and vice-president to Tokyo during the present month to negotiate with Government on the reorganization question. Although the company itself has so far taken no definite move against the proposed reorganization it is known that the employes are greatly disturbed over the prospect of a fundamental reorganization. The attitude of the South Manchuria Railway Company, it is said, is that the segregation of the subsidiary businesses would virtually mean the disappearance of the S.M.R. The railway officials claim that the result would be that it would no longer be possible to entice capital to Manchuria as is now the case because of the great confidence the S.M.R. enjoys in financial circles. As against this, military authorities claim that the S. M. R. monopoly prevents the influx of other capital.

The Kuantung Garrison's plan contenplates independent concerns run separately such enterprises as railways, coal mines, steel and iron works, electric companies, commercial gas plants, shipping companies, harbor works, warehouses, and chemical industries independent of the S. M. R. organization. Incidentally, the separate concern plan proposed by the Kuantung Garrison coincides with the idea conceived by Commerce Minister Nakashima. Kwantung military circles feel, as above intimated, that the South Manchuria Railway predominates in all phases of enterprise to such an extent that there is hardly any room for Japanese investors to find an outlet. For this reason, the promoters would rather revoke the S. M. R.'s preferential rights and place every prospective investor on an equal footing in order to encourage the free influx of capital and technical experts from without.

Bound up with the question of circumscribing the activities of the S. M. R. is the proposed retrocession of the Railway Zones in Manchuria, which is desired by Manchukuo to be carried out as soon as possible; theoretically, the Japanese feel that this is the proper thing to be done. But it will be a difficult task, actually, in the opinion of Ryusaku Endo, Director of General Affairs Board of Manchukuo, who explains that S. M. R. spends about twenty million yen towards the expenses for the management of the Railway Zones annually, and he doubts if Manchukuo is able to raise such a large sum of money for this purpose.

The sweeping reorganization scheme of the South Manchuria Railway Company said to have been evolved by

the Kwantung Army with a view to coordinating Japan's activities in Manchuria, which has lately aroused much controversy both in Manchuria and Japan, has now becomd a big political issue. The question has become complicatee due to opposition of the majority of employees of the South Manchuria Raliway Company to some details of the reorganization scheme although the authorities of the Kwangtung Army and the South Manchuria Railway Company are continuing discussions on the scheme for adjustment of differences.

It is officially understood that the proposal for the reorganization of South Manchuria Railway Co., by the Kwangtung Army Headquarters, has not been brought to the notice of the central authorities concerned, as the Departments of Foreign Affairs, Overseas Affairs and Finance are not aware of the plan, as yet. Moreover, the central official circles rather doubt whether or not the Kwangtung Army authorities have been able to draw out the particular technical plans concerning the proposal at issue.

During the four months from June to September this year, the Manchukuo passport office in Dairen issued vises to 1,032 passports for entry into Manchukuo.

The Manchukuo adminstration is stated to be receiving an increasing number of inquiries, either directly or indirectly, as to possiblities of making investments in the country.

General Li Chi-chun, commander of Manchukuo irregulars who have been enlisted into the police force, is alleged to have been supporting the bandits in their continued activities against the government police, in the Luantung districts.

Final payment to French creditors who had claims against the defunct Chang Hsueh-liang administration in Manchuria was made late last month by the Government of Manchukuo. The French claims were complicated. Notwithstanding this, French business men say that their claims were "handled by Manchukuo in the most satisfactory and praiseworthy manner."

Archeological Excavations Made in Manchuria

One of the actiorities which is being Carried on in the new "state of Manchukuo" is that of archevlogical excavation. The work is being done by Japanese and Manchukuo scholars on the site of the old capital of Pohai, a country that flourished 1,000 years ago and then dropped out of sight, leaving but meager references, to its existence and civilization in the records of Japan, China aad Korea. An exhibit of Pohai objects has been placed on view in Tokyo at the Imperial Household Museum, Ueno Park. It is announced that in due Course the exhibits will be returned to Manchukuo, whese they will be placed on permanent exhibit, presumably in Changchun.

With the arrest of five Soviet members of a Communist "cell," the Manchukuo police authorities claim to have secured valuable information concerning the activities of Communist conspirators and agitators in the Harbin district.

Manchukuo Currency Being Unified

The Manchukuo Finance Ministry, which has already withdrawn about 70 percent of the old depreciated notes, will shortly announce concrete plans for completing the unification of national currency throughout the country, including Kwantung Leased Territory. It is reported that these plans will include in them the issuance of the Central Bank of Manchukuo in Kwantung Leased Territory, the abolition of the Yokohama Specie Bank bills from the same area, and the withdrawal of the Antung and Newchwang taels.

A Relic of the Dark Ages

That is what constipation should be in these enlightened days, and would be too, if the demands of civilization did not so often intervene and upset nature's functions. An official dinner, a rush to keep an appointment, the exigencies of business, no matter what may have caused delay, the constipation which results is a very real danger, since it brings in its train disordered stomach, bilious attacks, liverishness, headaches, dizziness, and other ailments.

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These pamphlets ranging from 12 to 200 pages were written by Chinese specialists in their respective lines. They were prepared for presentation at the Conference of the Institute of Pacific Relations at Banff, Canada. Those desiring copies, should send their orders with draft or postal money-order attached to the undersigned.

THE CHINA WEEKLY REVIEW
38 Avenue Edward VII
Shanghai.

Customs Staff Presents T. V. Soong With Loving Cup

A reception was given Nov. 8 by Sir Frederick Maze, Inspector-General of Customs, in honor of T. V. Soong, until recently Minister of Finance. A silver loving cup, suitably inscribed, was presented by Sir Frederick, on behalf of the Customs staff, to Mr. Soong.

In presenting the Cup, Sir Frederick said he did so with respect, admiration and gratitude. He stressed the fact that since the introduction of customs autonomy the revenue has grown nearly threefold—from $128,274,075 in 1928 to $348,489,391; the Chinese Staff have been placed on a higher plane and are now eligible for the highest posts; and the Chinese character of the Service —which seemed for a time to have shaken—has been restored; but these changes have brought with them additional responsibilities—the higher duties have naturally resulted in an enormous increase of smuggling.

In accepting the Cup, Mr. Soong in a felicitous speeech emphasized the achievements of the customs during his administration, and related how he had succeeded in removing many grievances harbored by the government and the people against the customs service. He also spoke of the wisdom of refraining from creating a personal following in the ministry and of fostering the principle of civil service tradition and impersonal loyalty to the government.

Short speeches were also made by Li Ming, prominent Shanghai banker; Yu Ya-Ching, venerable shipping magnate; and Wang Shao-lai, chairman of the Chinese Chamber of Commerce.

Notes on Shanghai Real Estate by Realty Investment Company

During the month of September considerable new building took place. Permits were granted during the last week for the following:

Eastern District:—24 Chinese Hongs and 4 Chinese houses on Kwenming Road; large machine shop in Kwenming Road; school building in Holung Road; addition to Printing Works in Dalny Road.

Western District:—A large addition to a manufacturing plant on Ichang Road; 12 Chinese houses off Robison Road; 27 Chinese houses on Connaught Road; 4 foreign residences with garages on Gordon Road.

The Hopital Sainte Marie on Route Pere Robert will add a large unit to their present buildings—the new addition will have 300 beds.

She Didn't Have to Say it.

Little Helen had just returned from the first party which she had ever been allowed to attend. Anxious to know if she maintained the family dignity, her mother questioned her concerning her behaviour.

"I hope you remembered to say "No, thank you!" and "Yes, please!" said the careful parent.

"I said "Yes, please!", but I didn't have to say "No, thank you!", because I took everything", was the artless reply!

Children, in many ways, are primitive beings, and it is remarkable how they will go on eating the things they like even though they are replete to a point of discomfort. After such occasion a dose of Baby's Own Tablets is a precaution well worth while. This splendid children's health regulator will quickly relieve the congestion, cleanse the food tract and ensure that no harm results. In the prescribed doses, Baby's Own Tablets quickly relieve infantile indigestion and constipation, banish 'wind' and colic, check diarrhoea, allay feverishness, colds and croup. During teething they are a great boon to parents and children alike, easing the pains and thus enabling baby to enjoy sound, health-giving sleep. No parents should be without this reliable and pleasant tasting children's health safeguard.

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The National City Bank of New York, Rates of Exchange

Shanghai, Nov. 8, 1933.

Demand selling rate on America:	U.S. $100=Sh. $314.34
Demand buying rate on America:	U.S.$100=Sh. $310.68
Demand selling rate on London:	£1.0.0=Sh. $ 15.42
Demand buying rate on London:	£1.0.0=Sh. $ 15.38

Latest New York Stock Exchange Quotations

Market—Strong

Business Done 1,800,000 Shares

November 9, 1933

1932-3 High	1932-3 Low	Div.$ per Sh.	STOCKS	Mon. Nov. 6	Wed Nov. 8.
13¼	3	—	Adams Express		
33	11⅛	0.60	Alaska Juneau	7¾	8⅛
145½	70⅜	6.00	Allied Chemical & Dye	25½	26¼
98½	49½	4.00	American Can	132	136
19⅝	3⅝	—	American & Foreign Power	88½	95⅝
44⅞	7¼	—	American & Foreign Power 7% Pfd.	8½	9¼
13⅛	2⅝	—	American & Foreign Power Warr.	19⅝	20
23⅝	3½	—	American Metal Co.	5¾	Unq.
53½	10¾	—	American Smelting	19⅝	20¼
134¾	86½	9.00	American Telephone & Telegraph	45⅞	48⅛
94¾	50¾	5.00	American Tobacco "B"	113½	118⅜
43½	10⅞	1.00	American Waterworks	74⅛	75
22⅝	5	—	Anaconda Copper	18¾	20½
18⅝	5⅞	—	Atlas Corporation	14⅝	15½
84	31¼	2.00	Auburn Automobiles	11½	12⅛
37⅞	8¼	—	Baltimore & Ohio	39	43
49¼	10⅛	—	Bethlehem Steel	22¾	24
37⅝	18	1.60	Borden Company	29¼	31½
21⅝	5½	—	Borg Warner	22⅝	27¼
20⅞	7⅛	—	Canadian Pacific Railway	15⅝	16⅝
103½	30½	—	Case, J. I.	12⅞	12¼
47⅞	19	1.40	Chase National Bank	65⅛	70¾
52¼	14⅞	2.00	Chesapeake Corp.	20½	21½
57⅞	7¾	0.50	Chrysler Corp.	33⅛	34½
28⅛	9	0.50	Columbia Gas & Electric	40¾	48⅝
6¼	1⅝	—	Commonwealth & Southern	12¼	13
64¼	39½	3.00	Consolidated Gas of N. Y.	2¼	2¼
19⅝	4⅜	—	Continental Oil	39¼	41⅛
90⅝	45¾	3.00	Corn Products	17¼	18
7½	2⅝	—	Coty Inc.	72¾	72
4⅜	1⅛	—	Curtiss Wright Company	3½	3⅝
18¼	10¼	0.75	Douglas Aircraft	2¼	2¼
85¾	22⅛	2.00	Du Pont de Nemours	13⅞	14⅜
80¾	46	3.00	Eastman Kodak	77¾	80⅞
41⅝	10	6%S	Electric Bond & Share	72	74¼
15⅞	8⅛	—	Electric Power & Light	15⅝	16⅜
19	12	—	Fox Film	5¼	5⅞
10¾	2⅞	—	General Aviation	Unq.	14¼
80¼	10½	0.40	General Electric	5⅞	6⅜
39⅞	21	1.80	General Foods	20¼	21½
85⅜	10	1.00	General Motors	35⅛	36⅛
49½	13¼	1.00	General Railway Signal	28⅜	30⅛
27⅜	12	1.20	Gold Dust	29½	30
47½	9¼	—	Goodyear Tire & Rubber	16⅜	17⅜
40	6⅛	—	International Cement	32¼	34¼
46	18⅝	0.60	International Harvester	32⅝	33
22⅜	6⅜	—	International Nickel	37¾	39⅜
21⅜	5⅛	—	International Telephone & Telegraph	20	20⅞
60⅜	12¼	—	Johns Manville	12½	13¼
26	7⅜	—	Kennecott	50	50
79⅜	37½	2.40	Lehman Corporating	20⅜	22
99⅜	49¼	•4.00	Liggett & Myers, "B"	64	65⅜
36⅛	8½	1.00	Loew's: Inc.	82¼	84¼
25¼	10⅛	1.20	Lorillard P. Co. (Com.)	28⅝	30⅛
47⅛	18	1.00	McIntyro Porcupine	16⅞	17⅜
28⅞	8⅝	—	Montgomery Ward	42⅝	44⅝
81⅛	19¾	1.00	National City Bank (bid price)	18⅜	20⅜
124⅞	16⅞	—	National Distillers	21⅜	22⅞
58½	14	—	New York Central	92⅜	95⅜
36½	15⅜	8%S	North American Company	33	36
95⅜	31½	2.00	Owens Illinois Glass	15⅝	17
87¾	20	1.50	Pacific Gas & Electric	74	78⅝
6⅞	1¾	—	Packard Motors	19¼	20
42¼	13⅝	0.50	Pennsylvania Railroad	3⅝	3⅝
6⅜	1½	—	Pennroad Corporation	27⅞	27⅜
19⅜	4⅜	—	Phillips Petroleum	2⅞	2⅞
12¼	3	—	Radio Corporation	14⅞	15¼
5¾	1	—	Radio-Keith Orpheum	6⅜	7¼
54¼	26½	3.00	Reynolds Tobacco "B"	2¼	2¼
47	12½	—	Sears Roebuck	43¼	44
11⅝	4	—	Shell Union	27¼	30⅞
15½	6	—	Socony-Vacuum Corp	8⅝	9⅜
28	17½	2.00	Southern California Edison	18¼	18⅝
82½	5⅛	—	Standard Gas & Electric	16⅝	17¼
43⅞	22¾	1.00	Standard Oil Co., of N. Jersey	9¼	9⅜
60⅜	50	—	Sterling Products	42⅞	47¼
8⅜	1½	—	Studebaker	53¼	54⅜
30⅛	10¾	1.00	Texas Corporation	4¼	4⅜
41	15¾	1.00	Texas Gulf Sulphur	24⅜	24⅞
9¾	2⅝	—	Trans America	39	40¼
51⅞	19¾	1.00	Union Carbide & Carbon	5⅜	5⅝
132	61¼	6.00	Union Pacific	40¾	42½
46⅞	16½	—	United Aircraft & Trans.	108	110
14½	4⅞	—	United Corporation	31	33¼
25	14	1.20	United Gas Improvement	5⅝	5⅜
25	2⅞	—	U. S. Rubber	16	16⅜
67½	23⅜	—	U. S. Steel	16	16⅜
51½	21½	•2.40	Universal Leaf Tobacco	40	42¼
38¼	7⅝	—	Vanadium	Unq.	40⅜
9¼	1	—	Warner Bros. Pictures	18¼	19⅝
53¾	19¾	—	Westinghouse E. & M.	6⅜	6⅞
50⅞	25⅛	2.40	Woolworth	88⅝	88⅝
			Call Money	88½	88⅝
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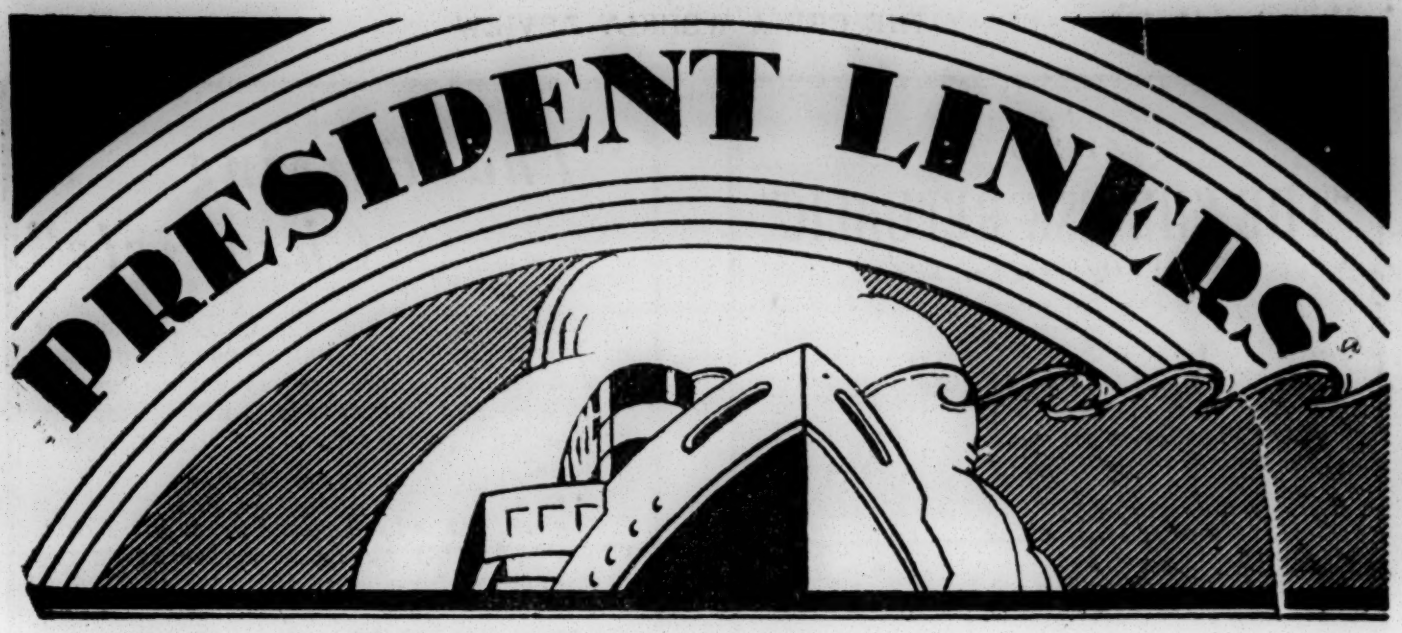

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